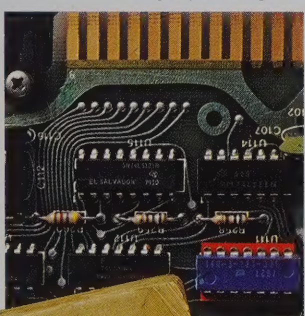
Moore Corporation Limited

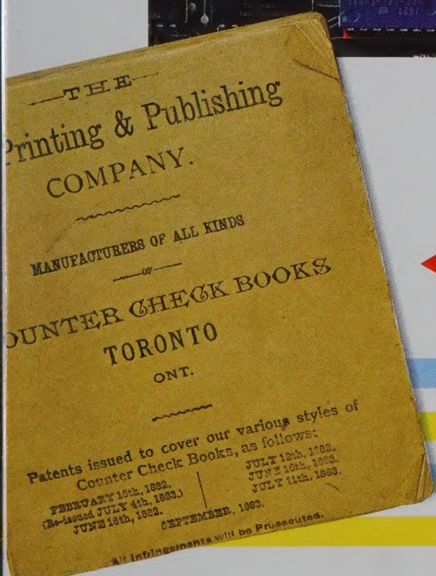
1981

The first plant dedicated to the manufacture of business forms was established in 1883 at Niagara Falls, New York.

Moore remains in the forefront of advanced imaging technologies through computer-controlled ink jet printing.



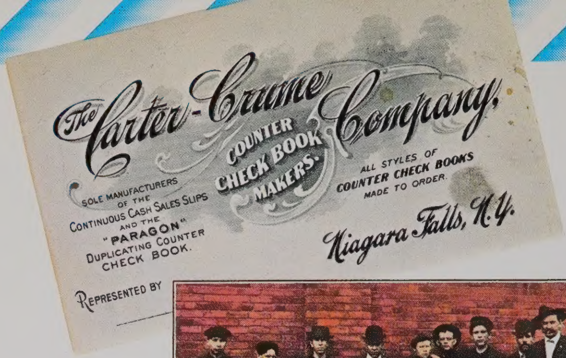
Moore representatives have offered recordkeeping efficiency for 100 years.



The first salesbook was manufactured in Toronto, Canada in 1882.

ANNUAL REPORT

CONTINUOUS Interfolded



A noon hour gathering in 1905 at the former Carter-Crume Company, Limited, plant, Niagara Falls, New York.

The early years at the Los Angeles, California manufacturing plant are commemorated in this photograph of the entire 15-person staff, taken in the early 1900s. Today, there are 28,000 Moore employees throughout the world.

Dividends

The Corporation's dividends are declared payable in United States funds and shareholders have the option of receiving dividends in equivalent Canadian funds.

The Optional Stock Dividend and Dividend Reinvestment Plan offers two dividend options whereby shareholders may increase their holdings of the Corporation's common shares:

- –dividends in the form of shares
- –dividends reinvested in additional shares.

Both options provide for common shares being acquired without brokerage or service charge at a 5% discount from an average market price.

For additional information regarding these dividend options or to request a Participation Form please write the Corporation's Secretary.

Form 10-K

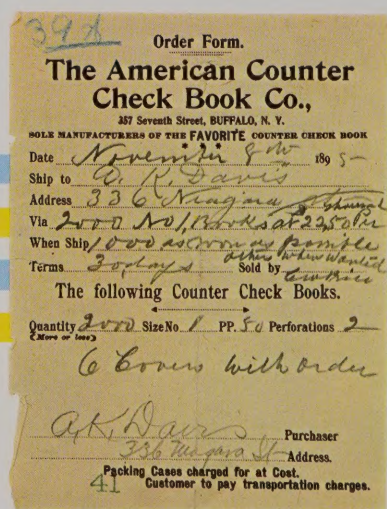
A copy of the Annual Report on Form 10-K, as filed with the Securities and Exchange Commission in Washington, D.C., is available to shareholders without charge upon request to:

Secretary
Moore Corporation Limited
1 First Canadian Place
P.O. Box 78
Toronto, Canada M5X 1G5

Annual Meeting

The annual and general meeting of shareholders will be held at 2:00 p.m., Thursday, April 15, 1982, in Commerce Hall, Commerce Court West, (King and Bay Streets), Toronto, Canada.

Emeryville, California around 1912 as Moore expands in the fast-growing western U.S. market.



Order Form.
The American Counter Check Book Co.,
357 Seventh Street, BUFFALO, N. Y.
SOLE MANUFACTURERS OF THE FAVORITE COUNTER CHECK BOOK
Date November 8th 1895
Ship to A. K. Davis
Address 336 Niagara St
Via
When Ship
Terms 30 days
Sold by
The following Counter Check Books.
Quantity 2000 Size No. 1 PP. 50 Perforations 2
(More or less)
6 Covers with order
A. K. Davis Purchaser
336 Niagara St Address.
Packing Cases charged for at Cost.
Customer to pay transportation charges.

A sale is made – 2,000 "books" to be accompanied by "6 covers." The American Counter Check Book Co. became part of the Moore organization in 1895. In the early years, the Moore Group grew through acquisitions and mergers.

Financial highlights

Expressed in United States currency and except per share amounts in thousands of dollars

	1981	1980	1979
Consolidated statement of earnings			
Sales	**$1,879,063**	$1,804,781	$1,541,048
Income from operations	**198,150**	210,694	192,141
Per dollar of sales	**10.5¢**	11.7¢	12.5¢
Income taxes	**101,866**	108,001	98,292
Percent of pretax earnings	**46.6%**	48.7%	48.6%
Net earnings	**115,402**	111,904	102,822
Per dollar of sales	**6.1¢**	6.2¢	6.7¢
Consolidated balance sheet			
Working capital	**482,902**	455,320	407,164
Ratio of current assets to current liabilities	**3.0:1**	3.0:1	2.9:1
Long-term debt	**96,739**	106,283	111,291
Ratio to equity	**0.1:1**	0.2:1	0.2:1
Capital employed in business	**849,525**	808,586	749,309
Return on capital employed	**13.9%**	14.4%	14.5%
Shareholders' equity	**685,461**	637,104	572,232
Return on shareholders' equity	**17.5%**	18.5%	19.0%
Total assets	**1,088,314**	1,036,781	968,099
Expenditure for fixed assets	**46,600**	48,043	47,633
Per share			
Net earnings	**$4.12**	$3.99	$3.67
Dividends declared	**$1.80**	$1.64	$1.44
Shareholders' equity	**$24.45**	$22.73	$20.42

Contents

The Business of Moore

Moore is an international organization serving the needs of business, government and other institutions by providing products and services which facilitate the recording, communication, retention and retrieval of business information. Active in 39 countries and with 131 manufacturing plants, Moore is the largest manufacturer of business forms in the world.

Other specialized divisions provide small business computer turnkey systems; direct marketing products; custom packaging and data base management products and services.

Moore Corporation Limited

Report to shareholders

It is a special pleasure to report record sales and earnings in this 100th anniversary year of the founding of the Corporation.

While business conditions generally were extremely difficult in 1981, for Moore the twelve months represent the fifth successive year of improvement in operating results.

The underlying strength of Moore through the most recent two years of less than favourable business conditions can be viewed in the perspective of annual earnings increases in 26 of the past 29 years and improvements in sales revenues in 28 of those years.

The importance of the products and services which Moore provides to business enterprises worldwide is reflected in the 78% rise in sales over the latest five years. Through that same period, reported earnings have grown at an annual compound rate of 12%.

Financial

Net sales of $1.9 billion were ahead 4.1% from $1.8 billion. Net earnings of $115.4 million were equal to $4.12 per share and represent an improvement of 3.1% from 1980 net earnings of $111.9 million, or $3.99 per share.

Unrealized foreign currency translation adjustments arising out of the fluctuation of exchange rates from period to period and shown heretofore in the consolidated statement of earnings have distorted the quarterly and annual earnings of the Corporation over the past several years. After careful consideration, it was decided that the accounting policy relating to unrealized foreign currency translation adjustments should be changed. Effective January 1, 1981 these adjustments are being charged or credited directly to shareholders' equity and will no longer appear in the consolidated statement of earnings. Additional information with respect to the accounting policy change is provided in notes 2 and 11 of the notes to consolidated financial statements.

Sales and earnings in 1981 were adversely affected by the unfavourable business conditions that have prevailed for a period of some two years. Competitive conditions were particularly severe and a strong United States dollar significantly reduced the value at which International operating results were reported compared with 1980.

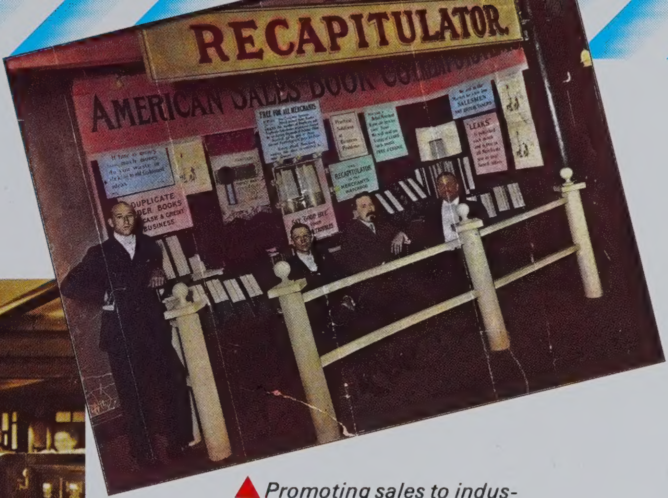
Especially affected by the depressed business conditions were operations in the United States where the Corporation's major business forms division experienced a decline in operating income.

Operating results in Canada showed a fine improvement in 1981 as did International operations, measured in local currency.

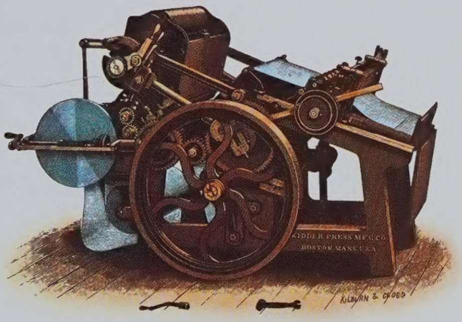
A reduction in overall operating income was more than offset by increased earnings on short-term investments and a lower tax rate.

An operating loss in the Moore Business Systems Division had the effect of reducing earnings by 27¢ a share, compared with a reduction of 24¢ in the previous year.

The purchasing department at Carter-Crume Company, Limited, July 29, 1909.

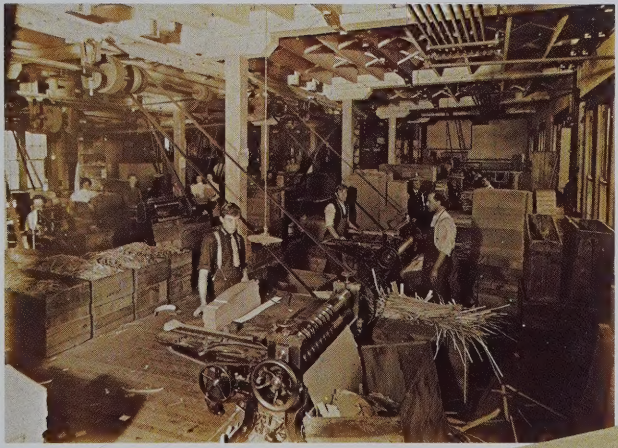


Promoting sales to industry, this display booth was erected at the Pure Food show in New York City in 1906.



The Kidder web press reduced costs of producing Moore's first product by 75%. Two presses were acquired from the Boston, Massachusetts Company in 1882. In 1889 Kidder Press Company, Inc. was acquired to become the nucleus of an equipment manufacturing division.

The slitting room in the early years at the F. N. Burt Co., Buffalo, New York. This arm of the Moore group has achieved a reputation as a specialist in the manufacture of custom packaging.



The "Autographic Register" was an early technological development. The counter register used rolls of printed forms. A clerk wrote details of a transaction on the top paper and carbon paper provided the second copy.

Dividends

The annual dividend rate was increased to $1.80 a share from $1.64 with the payment of a 45¢ per share quarterly dividend effective April 1, 1981. A further increase was approved by the Directors on February 23, 1982 when the quarterly dividend was raised to 50¢ per share effective April 1, 1982. At the new annualized dividend rate of $2.00 per share, dividends will have been increased 67% since 1977.

An Optional Stock Dividend and Dividend Reinvestment Plan was introduced effective with the January 2, 1982 dividend. This Plan provides shareholders with the opportunity to increase their holdings of common shares at a discount of 5% from market value, without incurring brokerage or service charges. Shareholders now can choose to receive dividends in the form of common shares or can instruct the Corporation to reinvest the dividends to acquire additional shares.

In addition, arrangements were made to permit shareholders to continue to receive dividends in United States currency as declared or in the Canadian currency equivalent.

Business forms

The design and manufacture of business forms accounts for 90% of Moore's revenues. The United States is the largest market, accounting for 64% of total sales. Europe makes up 16%, Canada, 10%, and other areas, 10%.

The use and customer acceptance of Moore carbonless forms continues to increase. In the current year these products represent about 30% of all Moore multipart forms sales in the United States compared with 15% four years earlier.

Compurite, Moore's ink jet printing technology, is moving into business form/systems from initial applications in direct marketing bringing a new dimension to business communications. Compurite is a unique systems complement providing considerable capacity for printing variable data on business forms as they are manufactured. It permits flexibility in systems design, reduces overall customer data processing cost and generally expedites the flow of information to the user.

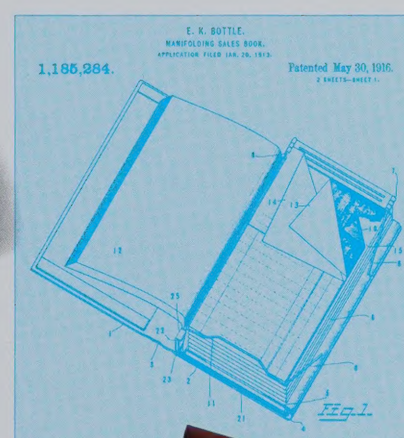
New approaches to marketing are being expanded and tested. Sixteen business centre stores are now in operation in the United States, the United Kingdom and France. These strategically located retail outlets make readily available a wide range of forms and other related products and services used by business.

Early in 1982, the first "Moore Computer Supplies Catalogue" was mailed to potential users. This is an innovative listing of business forms and related products. Catalogue merchandising is another step in a continuing program to service the needs of small business.

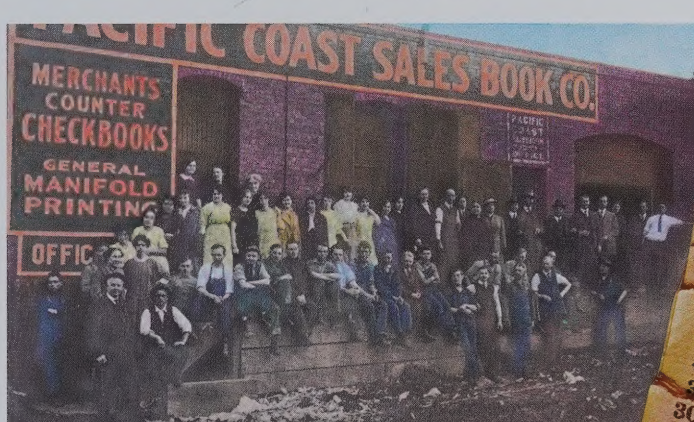
While the conversion of multiple part to single part forms for use over nonimpact printers continued in 1981, the growth of small business computers and the expanded use of ink jet printing as a base for new business systems applications are opening new market opportunities for Moore.

A July 1917 gathering of top performing Moore representatives held at the honeymoon haven of Niagara Falls, New York. In those days, sales representatives made 50 to 60 calls per day on the Uneeda sales program.

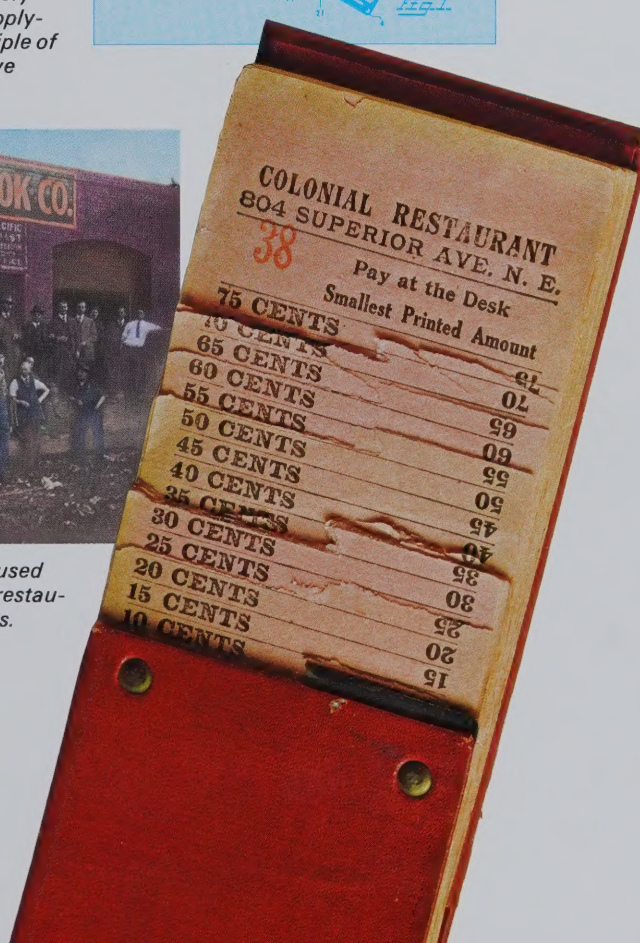
A roll of multiple-use carbon paper was fed between copies of business forms in the more advanced model of the "Autographic" counter register. Moore developed revolutionary one-time carbon in 1925.



The patent drawing for a 1916 refinement in the salesbook then widely used by business, applying the Moore principle of "let one writing serve many purposes."



The Los Angeles, California plant in 1913. Production of counter salesbooks had started in 1910 as a department of the job printing plant of the Los Angeles Times Mirror.



Business forms are used everywhere as this restaurant check illustrates.

Other activities

Moore Business Systems Division progress has been slower than anticipated since introduction three years ago of computer systems for small and medium-sized businesses. High interest rates and the slowdown in the United States economy together with delays in development of software packages are inhibiting influences.

All costs continue to be absorbed as incurred. Over 800 systems have been sold to date and longer term prospects and opportunities remain favourable for this new business venture.

Response Graphics Division is growing rapidly with the increasing acceptance by the direct marketing industry of Moore's Compurite technology, which marries ink jet printing with computer-stored information and high-speed printing. Significant growth was achieved in 1981 in both sales and earnings. Plans to expand the use of ink jet printing into the European market are underway.

International Graphics Division is finding increasing acceptance for its specialty products and services which collect and make available on a timely basis in hard copy, or on-line, such frequently changing information as airline schedules, price lists, directories and rate schedules. However, overall operating results of this Division were adversely affected by a very depressed real estate market in the United States during the year. Late in 1981, this operation was expanded through acquisition in Canada of the assets and business of the Teelatron group of companies.

Outlook

The immediate business outlook is clouded by the continuing world-wide recession. However, programs and plans in place to increase overall productivity and reduce operating costs, coupled with an active research and development program and a sound financial structure, put the Corporation in a strong position to take full advantage of any improvement in the general business climate as it occurs in 1982.

This year as in the past 100 years the results achieved reflect the combined efforts of the people of Moore, past and present, and sincere appreciation for these efforts is acknowledged.

On Behalf of the Board of Directors,

D. W. Barr
Chairman of the Board
February 23, 1982

R. W. Hamilton
President and Chief Executive Officer

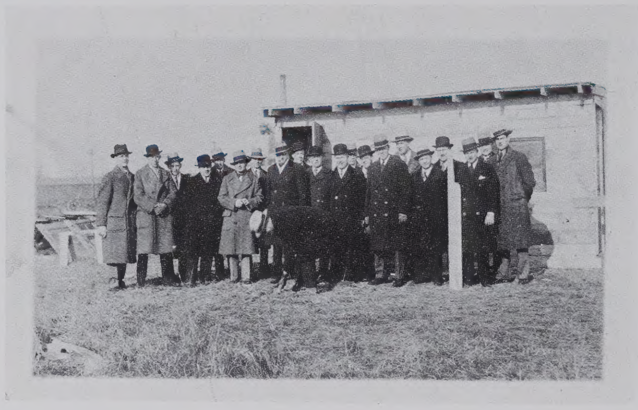
NIAGARA FOLD
REG. U.S. PAT. OFFICE
AUTOMATICALLY OPERATING FORMS AND CARBON

Moore's western United States sales team gathers at Emeryville, California in 1918 to plan post-war strategies.

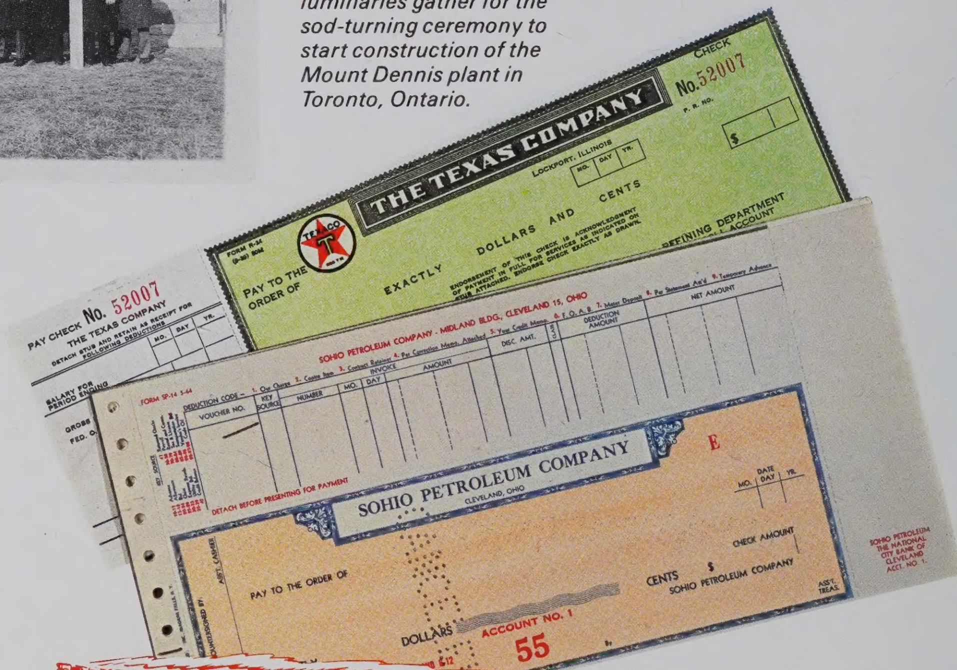
The Sure-Quad book provided four copies with a single writing. Sales literature stated "This is the only quadruplicating book issuing pages which remain joined together after being torn out of book and combining two different kinds, colours or weights of paper."

The hair style identifies the period and the Elliott-Fisher Automatic Feed Machine illustrates how automation was developing in business recordkeeping. Moore continuous interfolded forms were designed to reduce costs up to 60% by eliminating five of the six operations necessary with other forms on this machine.

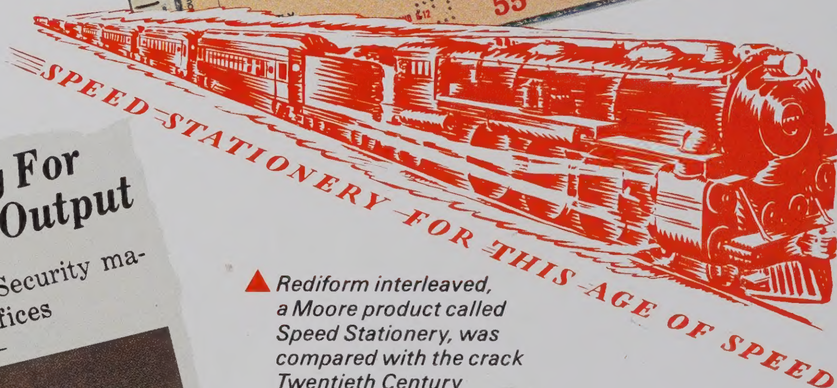
Business was growing in the late 1920s and the office staff expanded accordingly in the American Sales Book Company at Niagara Falls, New York.



Moore management and luminaries gather for the sod-turning ceremony to start construction of the Mount Dennis plant in Toronto, Ontario.



This symbol identified the new Moore Corporation Limited created January 1, 1929 when the independent members of the "Moore Group" went public by selling shares to investors. The initial public offering was on behalf of the three largest of nine related businesses. Others subsequently came under this corporate umbrella. Today, Moore has 18,500 registered shareholders. Dividends have been paid continuously since 1934.



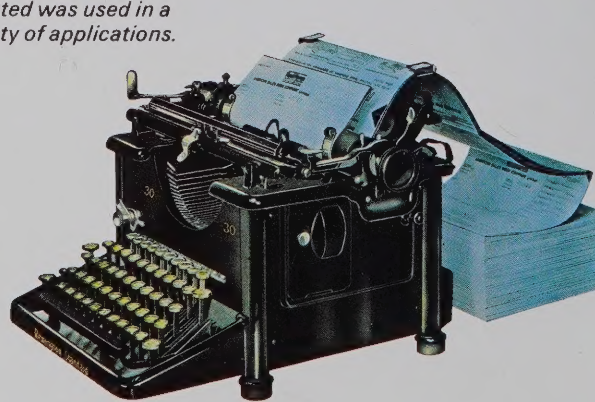
Rediform interleaved, a Moore product called Speed Stationery, was compared with the crack Twentieth Century Limited train as ushering in the "Age of Speed" in recordkeeping. The principle of the continuous strip, folded zigzag, with carbon paper already inserted was used in a variety of applications.

Million Cards Per Day For Uncle Sam, Plant's Output

Falls factory producing Social Security materials for use in postoffices

SOCIAL SECURITY BLANKS SHIPPED—The first of 24 shipments of social security blanks were made from a Niagara Falls printing plant yesterday to points in the West. Checking out the baggage car load are: Joseph H. Boudreau, Stephen Strack, William F. White, Postmaster Edward F. Canavan, George J. Gasse, Jr., and Benjamin F. Collins.

A total of 40 million card blanks were produced for the U.S. government to launch the Social Security program in 1936. Two presses operated around the clock to print up to one million cards each day.



Rediform interleaved was easily adapted for use with a variety of forms writing machines.

Happy 100th Birthday

"To provide products and services which facilitate the recording, communication, retention and retrieval of business information."

These sixteen words distill the experiences of 100 years.

In 1982, the worldwide Moore organization is celebrating a full century of continuous activity as a business enterprise. The story has been told many times of how 22-year-old Samuel J. Moore perceived opportunities in an idea brought to him by John R. Carter and in 1882 started manufacturing an innovative duplicating counter sales book.

This annual report recalls in illustrations and text many of the events, the people and the changes in the world and in Moore's business through the years since that time.

Only a few milestones, a few of those moments in history which later prove especially significant, are noted here.

–The founding company and operations were in the city of Toronto of a very young Canada. Within two years, in 1883, the burgeoning United States was entered with the establishment of a plant to manufacture the Paragon Check Book at Niagara Falls, New York.

–Within five years, the first moves overseas began–to England, Australia, Germany. While initially considered unsuccessful, these efforts did establish relationships which ripened into a full partnership many years later.

–The period up to 1929 was filled with mergers and acquisitions, expansions, new lines of business including printing machinery and paper box manufacturing. Many new products including Fanfold, the Wiz sales register, Speediset–represented imaginative innovations facilitating the mushrooming growth of North American industry.

–On January 1, 1929, Moore Corporation Limited was born to bring under a single corporate identity the previous loosely identified "Moore Group" of companies. Moore Corporation shares were listed and started trading on the Toronto and Montreal Stock Exchanges. The first public annual report was for the 1929 calendar year and a net profit of $1,072,934.23 was reported. The year was significant in another way–a Research and Development Division was established to combine the forward-looking efforts of the independently managed operations.

–Depression, war and recovery characterized the major difficulties which had to be dealt with through the 1930s and into the 1950s. The base for long-term growth throughout the fastest-growing economy in the world–the United States–was put in place through a strategically located network of manufacturing plants.

–In 1964, the long-standing, largely personal relationship with the British-based Lamson Industries organization was formalized into an investment and proved a key step in accelerating the transformation of Moore into a world-ranging business with plants, offices and other interests in 39 countries.

–New products and new ventures characterized the most recent years when the Moore enterprise passed the $1 billion financial milestone in both sales and assets. Moore Clean Print carbonless paper could have as revolutionary an impact into the second 100 years as one-time carbon had in the first century. Moore Business Systems, International Graphics and Response Graphics are vigorous young ventures created in tune with the age of the computer, microchip and satellites.

Mr. Moore once provided a thoughtful definition:

"Success is to have done that which has benefited the largest number of people and which, when you have finished your work, has left the world better because you have lived in it."

The Moore organization of today is based on the successes of yesterday in anticipating the information and needs of changing business, industry, government and all other institutions which make up economies and societies.

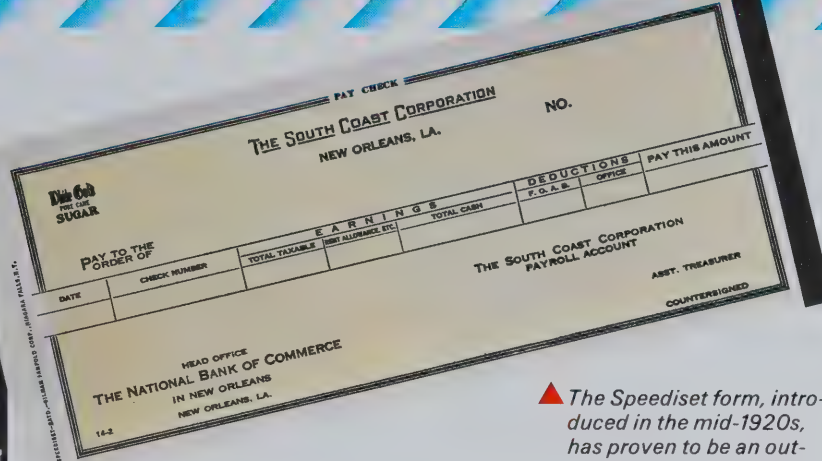
The Moore of the future will depend on new successes in anticipating and meeting the information and communication needs of all those people and organizations which will prepare for the special quality of life of new generations.

It is useful to contemplate some of the patterns underlying Moore's achievements in following the corporate objectives.

"To provide products" clearly was the heart of the initial stage in the evolution of Moore. The first product met the goal of facilitating *"the recording, communication, retention and retrieval of business information."* The counter check book was a tool designed for the retail merchant, providing a permanent record of a transaction. This was invaluable in a variety of ways–checking the accuracy of the bill, tracking credit, inventorying and acting as a receipt to minimize the hazard of theft of merchandise or cash.

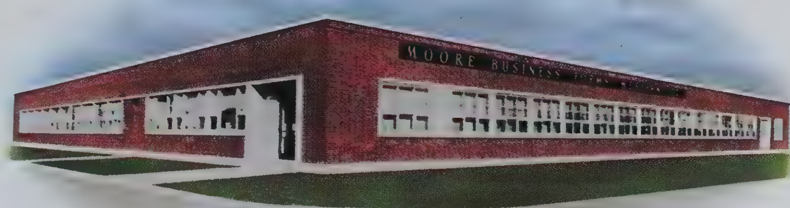
In the early years, much of the effort on "product" was based on improving manufacturing efficiency, usually through use of the latest printing technology. The founders' concerns concentrated on reducing costs by simplifying paper handling and achieving longer, faster press runs to manufacture the product wanted by the customer.

As the men and women of the infant organization came in contact with merchants and other businesses and industries, they became aware of other requirements, needs not necessarily recognized by their customers. The day to day contact with different businesses was the firing-line equivalent of a graduate course in management. Several customers might have a common problem. If a solution could be found by the Moore representative, new sales would result. The development of the widely used Speediset multipart form is frequently cited as an example of how Moore responded to the need of a single poultry raising business in California and opened the door to hundreds of thousands of other opportunities.

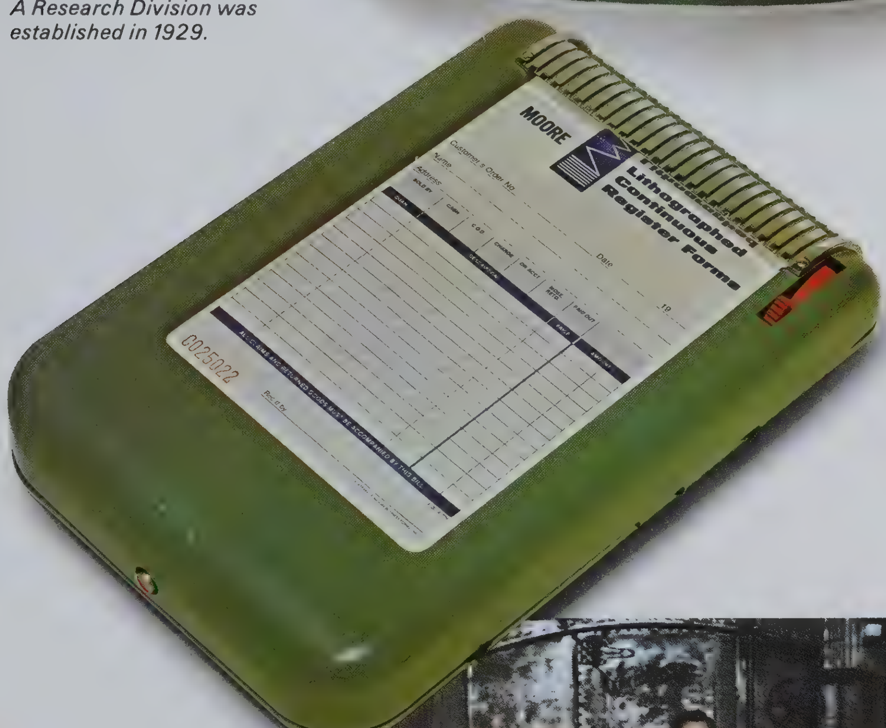

PAY CHECK
THE SOUTH COAST CORPORATION
NEW ORLEANS, LA.
NO.
Dixie Crystals PURE CANE SUGAR
PAY TO THE ORDER OF
EARNINGS: TOTAL TAXABLE | MEAL ALLOWANCE, ETC. | TOTAL CASH
DEDUCTIONS: F.O.A.B. | OFFICE
PAY THIS AMOUNT
DATE | CHECK NUMBER
THE SOUTH COAST CORPORATION
PAYROLL ACCOUNT
ASST. TREASURER
COUNTERSIGNED
HEAD OFFICE
THE NATIONAL BANK OF COMMERCE
IN NEW ORLEANS
NEW ORLEANS, LA.
14-2

The Speediset form, introduced in the mid-1920s, has proven to be an outstanding product over the years. Used for virtually every recordkeeping application, this innovative formset utilizes individual sheets of paper and a one-time carbon to let one writing serve many purposes. A quick snap removes the carbon paper cleanly.

Chemists are part of the Moore research team now located at Grand Island, New York. They develop new formulas for carbons, papers, inks and other materials and maintain the high standards of Moore product quality. A Research Division was established in 1929.



This new Winnipeg manufacturing plant, opened September 18, 1944 was a forerunner of a wave of expansion. In the post-war years facilities were built to establish much of the network that provides fast service to customers. In the United States, the number of plants jumped from 10 to 35.



The original, heavy brass Wiz counter register was refined through the years into this portable, lightweight, metal model. A choice of five colours permitted matching with office decor.

With the end of World War II, one of the untold stories of Moore's role came out – the manufacture of ration books under strict security conditions. A special U.S. government agent poses with Auxiliary Military Police as ration books were loaded for shipment. Press equipment was fenced in by a steel cage topped by barbed wire. Guards armed with machine guns patrolled day and night.

Without initially appreciating the significance of their knowledge, Moore representatives were becoming the confidants of their customers and were increasingly being looked to for advice on solving recordkeeping problems.

The North American continent was being opened up and developed in a climate of buoyant optimism and opportunity for those willing to venture. Railroads, steel mills, automobiles, airplanes, telegraph and telephone were among the major influences which created the industrial world as we know it today.

New methods of recording and using information were needed to measure and control such operations as manufacturing, transportation and administration. The new communications technology provided mechanisms for making better use of such information.

Other technologies and industries proliferated out of these new communications techniques. The early typewriter, primitive mechanical adding and calculating machines, machine accounting, data processing led like links in a never-ending chain to the computer, optical recognition, and satellite communications.

Moore representatives found very early in the history of the company that more and better products could be made and sold if those products were designed as "intelligent paper." Through regular gatherings of both representatives and management of the various divisions, through continuing research and ongoing education–all based on the day to day contact with customers–the information was obtained and massaged into a business form/system.

The people of the Moore of yesterday have been credited with creating the "business forms industry," a specific category of enterprise which produces a physical product. Moore is often classified as the world's largest manufacturer of business forms. What tends to be overlooked is that the process of achieving and maintaining that position involves a service–today usually referred to as a business form/system.

The broad and detailed knowledge of how business could best use information permitted Moore specialists to develop integrated information systems which could initiate action, provide a record, and allow subsequent analysis so that further action could be taken.

Management can only be effective if decisions are made and actions are taken from an accurate base of information. How would such a simple action as collecting an account be possible if no information had been collected, stored and made available for retrieval on such matters as purchases, partial payments, account aging, etc. The importance of having conveniently available data becomes more vital in even far more complex circumstances.

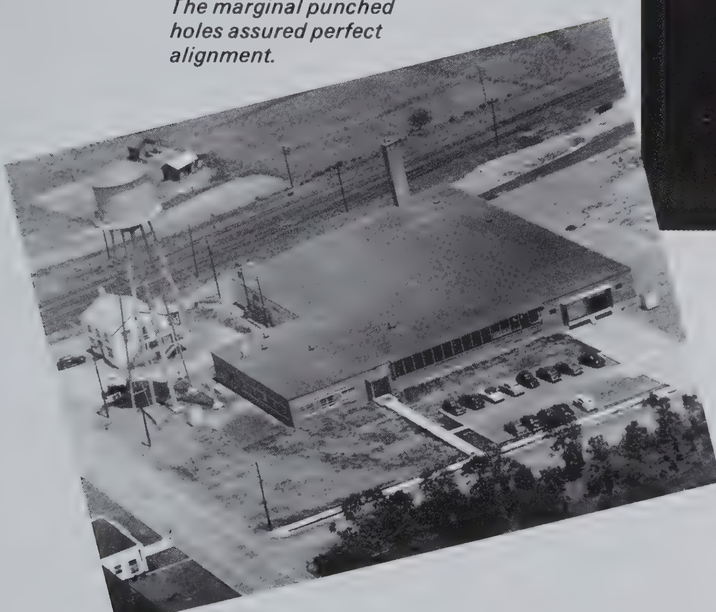
A pioneer of modern air travel once replied to a question as to when a long discussed new aircraft would be introduced with the comment:

"It'll fly when the weight of the paperwork reaches the weight of the aircraft."

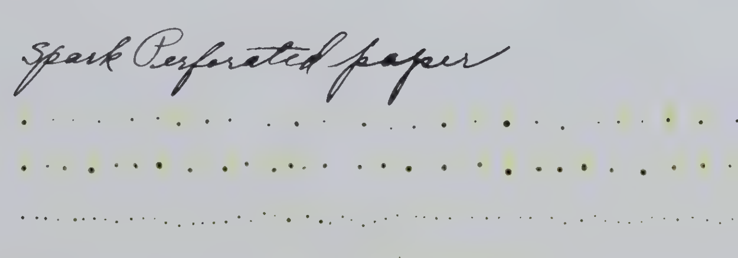
In the spring of 1946, these Denton, Texas "pioneers" stand outside the temporary quarters occupied during construction of a new plant.

This illustration shows a Moore continuous interleaved marginal punched form which provided fourteen clear copies. The marginal punched holes assured perfect alignment.

The 1948 Moore sales team covering the district of Worcester, Massachusetts.



The original plant at Thurmont, Maryland in 1950 was the first of many new manufacturing facilities built in the United States to produce a dedicated product close to major markets.



Different methods of providing perforations are developed and evaluated by Moore researchers.

This seemingly frivolous statement reflected the real importance of recorded business information. Business form/systems–intelligent paper–are used extensively in the complex process of planning and building an aircraft.

To fill this need, Moore specialists have helped to design the most effective purchase orders, payroll records, production schedules, inventory records, material specifications, billing documents and whatever other business forms are necessary.

During this 100th year in the exciting and involved life of Moore, the secret of success has become apparent. It has been the ability to marry the hard won know-how of those many thousands of people, who contributed in the past and are contributing today, with the recurring waves of revolution in science and technology.

Scientific advancement will continue to change society. Undoubtedly new means will be developed for collecting, communicating, storing and retrieving information. New tools such as lasers and advanced computer technology are only just coming on the scene.

The knowledge of how best to use new science in the management of enterprises of all kinds will be even more valuable and important than in the past.

Moore continues to develop opportunities in products and services out of new science. Several examples are immediately obvious. The microchip revolution in reducing costs of computer technology opened the opportunity to develop computers to meet the financial and information collection and management realities of small businesses. Today Moore Business Systems know-how and products are serving 7 small and medium-sized industries and programs are being developed for other lines of business.

The age of plastics and sophisticated chemical processing was put to use by Moore in the introduction of carbonless paper as early as 1972. Nine plants in five countries–the United States, Canada, Australia, France and Japan–today produce paper coated with microscopic polymer capsules containing a special liquid solution of dye. Hand or machine pressure breaks the capsules releasing the ingredients which react to produce an image, resulting in a most modern refinement of the original credo to "let one writing serve many purposes."

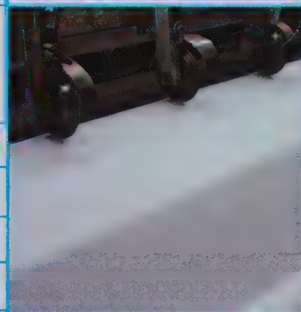
The ability of computers to store and retrieve information at the most rapid speeds imaginable opened the opportunity to a revolutionary Moore service. For example, Compurite combines printing press and computer to insert variable information in printed material at printing press speed. While the computer provides all the data that is variable from form to form, the printing innovation is ink jet–controlled spraying of tiny drops of ink onto fast-moving paper.

Change is a constant. Envision a giant birthday cake with 100 burning candles, each representing but a single moment in the events that represent the past, present and future of Moore.

As the 100th candle is lit, it is the moment for everyone to enjoy, with pride in the past and abounding confidence in the future.

Happy Birthday!

▶ Layout charts enable the sales representatives to clearly and accurately communicate the customer form/system needs to manufacturing plants.



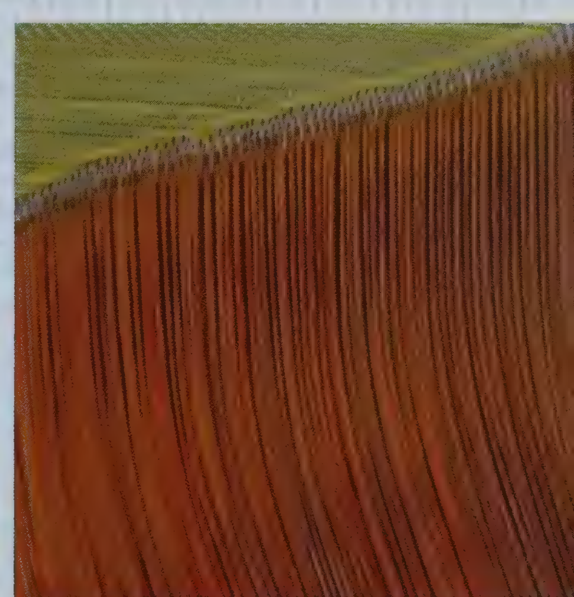
◀ Top quality forms ready for packing and shipping.

▲ Teeth of special wheels perforate paper edge to edge in a variety of configurations to meet the most exacting demands of modern computers.

▲ Trenton, Ontario plant. As Moore enters its second century, 131 manufacturing plants are operating around the world.

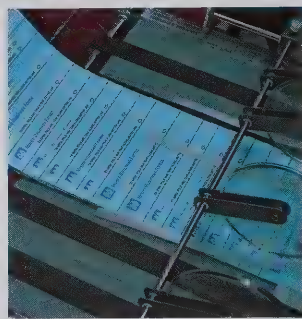
▶ Colour swatches are used to match ink colours to customer specifications.

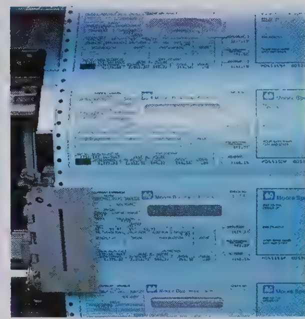
▶ A stream of business forms pours from a Moore press. These forms are designed to meet the particular requirements of individual customers. A basic underlying policy of Moore to provide specialized service proved a key in building the company into an organization providing nearly two billion dollars of product annually.

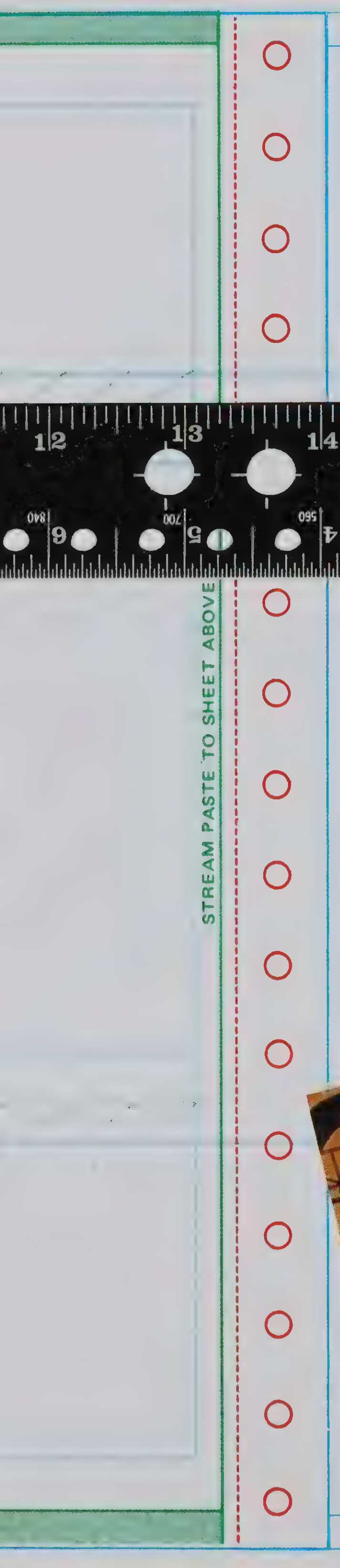


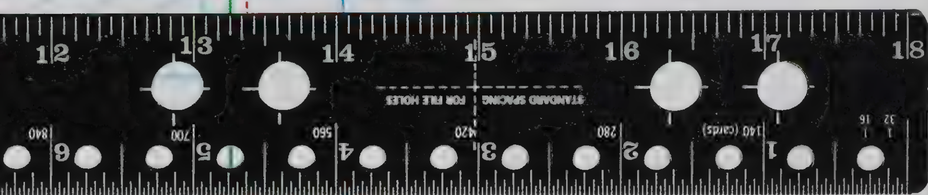
4 1/4" DEPTH FOLLOW THE
EEN DEPTH DIMENSIONS

▶ *High speed output, business forms and "after writing" forms handling equipment combine to provide automatic mailing systems.*



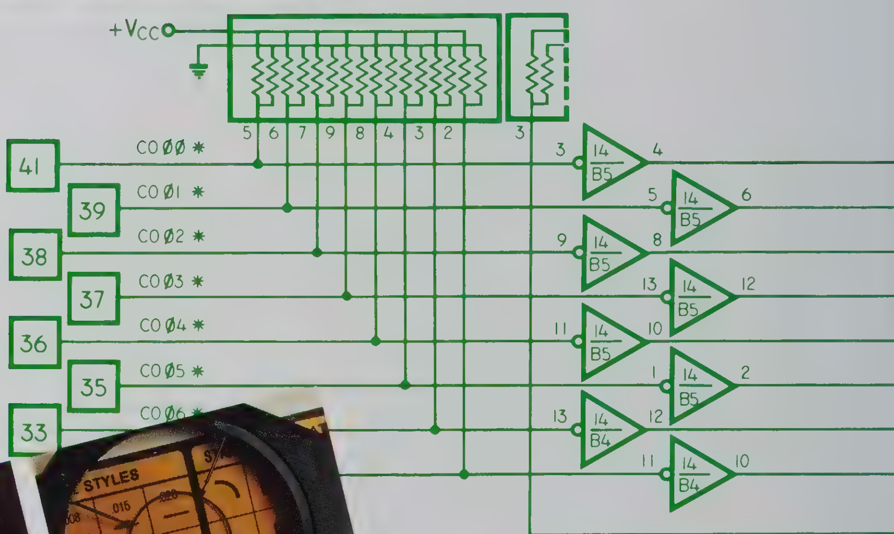






▼ *Rulers, layout charts, training and imagination are some of the tools used by Moore representatives to plan a business form/system for a specific application.*

▼ *Creating a business form with the aid of computers ensures accuracy and quality.*



▲ *Electronics play a vital part in the Moore world of today...and tomorrow.*

▼ *Compurite ink jet printing, a Moore innovation, is undergoing continuing research. The matrix illustrates how jets spray dots of ink on paper to form a letter.*

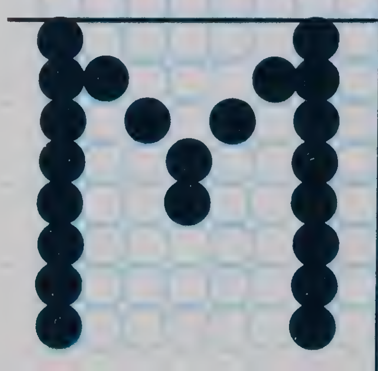


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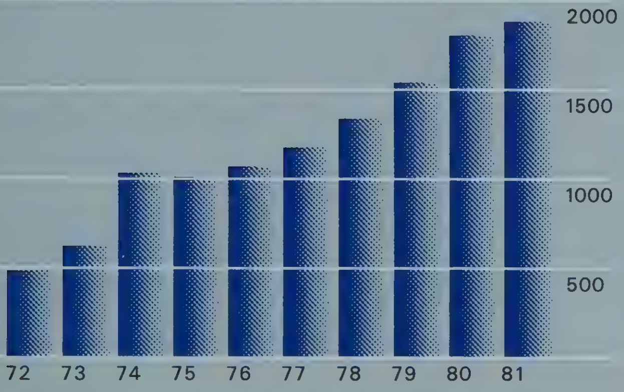
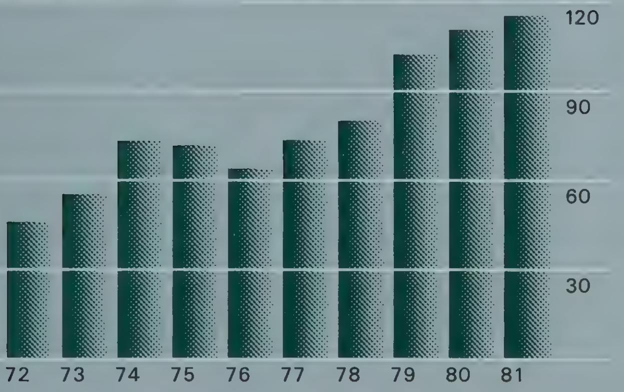
CHART 6

Management's discussion and analysis of results of operations and financial condition

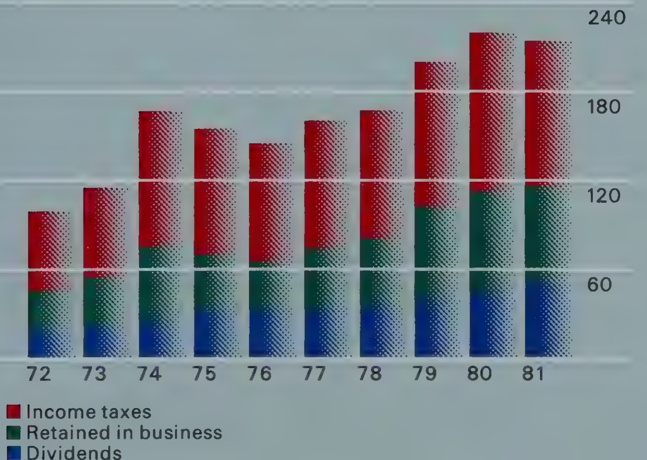
Sales
Millions of dollars



Net earnings
Millions of dollars



Distribution of earnings
Millions of dollars



Results of operations

1981/1980

Sales in 1981 of $1,879.1 million increased $74.3 million or 4.1% over sales in 1980 of $1,804.8 million.

Net earnings in 1981 of $115.4 million or $4.12 per share increased 3.1% over net earnings in 1980 of $111.9 million or $3.99 per share.

Sales and earnings in 1981 were adversely affected by the continuing unfavourable economic and business conditions that prevailed throughout the year. There was increased competitive pressure on selling prices generally. Also a sharply stronger United States dollar significantly reduced the value at which the International sales and earnings were included in the consolidation.

Income from operations fell below the level of 1980 and operating margins declined to 10.5% from 11.7% reflecting the effect of increased operating costs which could not be fully recovered in selling prices. The competitive situation was particularly severe for the business forms division in the United States and income from operations of this major segment of the Corporation was below the 1980 level. Moore Business Systems Division incurred an operating loss of $14.8 million in 1981 compared with $13.2 million in 1980.

The decline in income from operations was more than offset by an increase in investment and other income and by a lower income tax rate.

Investment and other income of $20.2 million was up significantly from the $10.9 million earned in 1980 due largely to higher interest rates and an increase in cash available for short-term investments.

The lower effective rate of tax in 1981 reflects the release of all deferred taxes relating to United Kingdom stock relief claims, a reduction in the Mexican tax rate and an increase in tax exempt income, less the write off of previously deferred Advance Corporation Tax in the United Kingdom which it is anticipated cannot be recovered against income taxes payable in the next two years.

Business forms and related products continue to be the predominant industry segment within Moore comprising 90% of sales in both 1981 and 1980.

North American operations accounted for 74% of total sales in 1981, an increase from 1980, principally due to the stronger United States dollar and the consequent lower value at which International sales are included in the consolidation in 1981 compared with 1980.

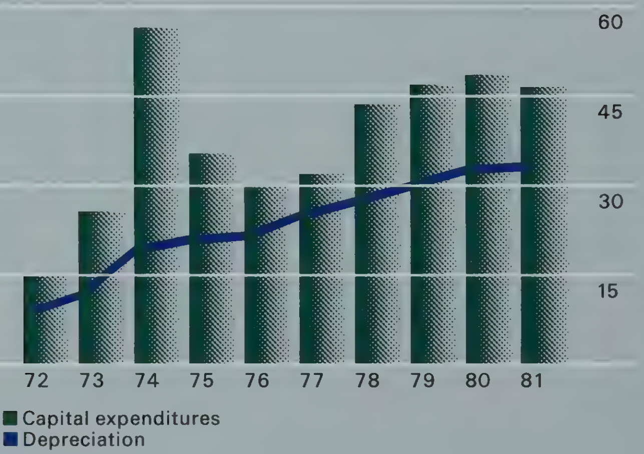
1980/1979

Sales in 1980 of $1,804.8 million increased $263.7 million or 17.1% over 1979 sales of $1,541.0.

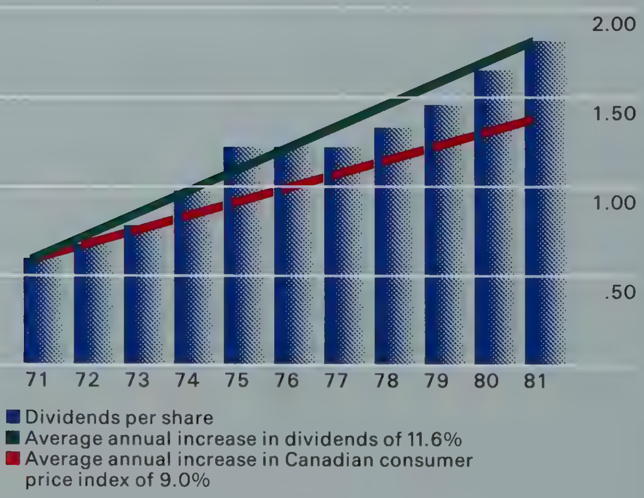
With the opportunity for real growth in 1980 being affected by unfavourable economic conditions, particularly in the United States and the United Kingdom, and by a continuing conversion of multiple part to

Capital employed and working capital
Millions of dollars

Capital expenditures and depreciation
Millions of dollars



Dividends declared per share
Dollars per share



single part forms for use over nonimpact printers, the larger part of the sales increase was accounted for by inflation.

North American operations accounted for 71% of total sales compared with 73% in 1979. Business forms and related products was the main industry segment comprising 90% of sales in both years.

The operating margin in 1980 of 11.7% compares with 12.5% in 1979. Operating results in 1980 include start-up costs of the new Moore Business Systems Division of $13.2 million compared with $7.8 million in 1979. Also included are non recurring costs (net) totalling $2.7 million comprising mainly redundancy and moving costs in the United Kingdom arising out of a program of rationalization involving the shutdown of four manufacturing plants less a gain on the sale of the Corporation's printing machinery plant in the United States. In addition, steadily rising costs and an increase in competitive activity particularly in the United States and the United Kingdom contributed to the lower 1980 operating margin and the higher cost of sales and selling, general and administrative expenses.

The increase in interest expense was the result of higher interest rates and an increase in short-term borrowing during the year.

Net earnings in 1980 totalled $111.9 million or $3.99 per share, an increase of $9.1 million or 8.8% and 32¢ per share over net earnings of $102.8 million or $3.67 per share in 1979.

Liquidity

The consolidated statement of changes in financial position summarizes the sources and applications of working capital that resulted in a $27.6 million increase in working capital in 1981. The working capital ratio of 3.0:1 was unchanged from 1980.

The Corporation's program to emphasize efficient management of working capital has continued to produce favourable results with cash and short-term securities increasing $11.4 million. Accounts receivable are up $5.4 million or 1.5% and inventories increased $21.5 million or 9.1% over 1980 compared with the overall increase of 4.1% in sales. Raw material inventories increased 8.7% and are equal to 2.1 months' usage which is unchanged from 1980. Finished goods inventories were up 10.9% reflecting increased emphasis on the Managed Business Forms selling concept.

The Corporation's policy of having operating subsidiaries finance their respective local currency cash requirements results in additional long and short-term debt being incurred from time to time by

some of the subsidiaries. In 1981, the net increase in short-term borrowing was $3.7 million while long-term debt decreased $9.5 million. A similar pattern of change in long and short-term debt occurred in the previous year.

Internally generated funds and such external borrowing as is needed to finance certain of the international subsidiaries should cover the continuing normal cash requirements of the Corporation. The borrowing facilities available to the subsidiaries requiring external short-term or long-term financing to fund operations or the purchase of capital assets are anticipated to be adequate to meet their needs.

At December 31, 1981 outstanding unused lines of credit for short-term financing totalled $46.0 million.

Capital resources

The Corporation with a 3.0:1 working capital ratio and total liabilities amounting to 37.0% of total assets, compared with 38.5% at December 31, 1980, has maintained a strong financial condition and is well positioned to take advantage of opportunities for growth and expansion of its product lines.

During the second quarter of the year, the Corporation's United States subsidiary Moore Business Forms, Inc. purchased, as a long-term investment, a five percent interest in Altos Computer Systems for $1.75 million. This California corporation is a supplier of computer hardware to the Moore Business Systems Division in the United States.

During the fourth quarter, the assets and business of the Teelatron group of companies serving the real estate and related markets in Canada and the United States were acquired by the Corporation's International Graphics Divisions. The purchase price of the Canadian assets and business included $3.6 million for goodwill.

A comparative analysis of capital expenditures and capital employed in the business are provided in the tables shown below (in millions):

Capital expenditures	Land and buildings			Machinery and equipment		
	1981	1980	1979	**1981**	1980	1979
Canada	**$2.1**	$1.3	$2.5	**$3.6**	$2.7	$1.6
United States	**3.8**	2.9	4.2	**18.7**	24.8	17.4
Europe	**1.8**	1.2	3.3	**6.6**	8.6	10.4
Other countries	**2.7**	5.6	2.8	**7.3**	.9	5.4
	$10.4	$11.0	$12.8	**$36.2**	$37.0	$34.8

Capital employed	**1981**	**%**	1980	%	1979	%
Shareholders' equity	**$685.5**	**80.7**	$637.1	78.8	$572.2	76.4
Long-term debt	**96.7**	**11.4**	106.3	13.1	111.3	14.8
Deferred taxes and liabilities	**54.0**	**6.3**	52.2	6.5	55.6	7.4
Equity of minority shareholders	**13.3**	**1.6**	13.0	1.6	10.2	1.4
	$849.5	**100.0**	$808.6	100.0	$749.3	100.0

Impact of inflation and changing prices

Attempts to restate historical cost financial statements to measure the effect of inflation and changing prices employ indices and other techniques such as appraisals. The result is an approximation of the impact of inflation on operations.

There are many ways by which a business organization can cope with inflation and changing prices. Some are inherent in particular industries, whereas others require specific application.

The major inventory of a business forms manufacturer is paper, and paper inventories are inherently turned over several times within each year. In the case of the Corporation, paper inventories are turned over approximately five to six times each year. This turnover along with over 43% of total consolidated inventories being costed on the LIFO basis results on average in a very short time lag between the purchase of paper and recognition of current paper costs in operations.

Another area of concern is the need to replace manufacturing capacity at current prices. Within the Corporation equipment is constantly being added, upgraded or replaced. Depreciation rates are reviewed with recognition being given to obsolescence factors in determining useful lives. The consistent relationship between depreciation expense and sales over the years while the cost of equipment has continued to rise is an indication of the Corporation's ability to increase selling prices and cope with inflation.

The foregoing statements are supported by the Corporation's strong financial condition.

Consolidated balance sheet

As at December 31
Expressed in United States currency
in thousands of dollars

Assets	1981	1980
Current assets		
Cash	**$14,458**	$11,757
Short-term securities, at cost which is approximate market value	**75,409**	66,722
Accounts receivable, less allowance for doubtful accounts $8,192 ($7,846 in 1980)	**366,845**	361,468
Inventories (note 3)	**257,122**	235,616
Prepaid expenses	**7,857**	7,952
Total current assets	**721,691**	683,515
Fixed assets		
Land	**22,237**	21,064
Buildings	**146,254**	142,695
Machinery and equipment	**449,383**	422,414
	617,874	586,173
Less: accumulated depreciation	**293,929**	268,091
	323,945	318,082
Investment in associated corporations (note 4)	**19,043**	16,411
Other assets (note 5)	**23,635**	18,773
	$1,088,314	$1,036,781

Liabilities		**1981**	1980
	Current liabilities		
	Bank loans (note 6)	**$31,615**	$27,952
	Accounts payable and accruals (note 7)	**167,422**	157,060
	Dividends payable	**12,623**	11,490
	Accrued income taxes	**27,129**	31,693
	Total current liabilities	**238,789**	228,195
	Long-term debt (note 8)	**96,739**	106,283
	Deferred income taxes and liabilities (note 9)	**54,010**	52,177
	Equity of minority shareholders in subsidiary corporations	**13,315**	13,022
		402,853	399,677
Shareholders' equity			
	Common shares (note 10)		
	Authorized: 40,000,000 shares without par value		
	Issued: 28,050,907 shares (28,025,305 shares in 1980)	**34,116**	33,364
	Unrealized foreign currency translation adjustments (notes 2 and 11)	**(18,560)**	(1,239)
	Retained earnings	**669,905**	604,979
		685,461	637,104
		$1,088,314	$1,036,781

Approved by the Board of Directors:

Director Director

Consolidated statement of earnings

For the year ended December 31
Expressed in United States currency and except earnings per share in thousands of dollars

	1981	1980	1979
Sales	**$1,879,063**	$1,804,781	$1,541,048
Cost of sales	**1,254,208**	1,186,335	1,005,260
Selling, general and administrative expenses	**377,619**	359,226	301,102
Depreciation	**35,121**	33,780	31,076
Interest expense	**13,965**	14,746	11,469
	1,680,913	1,594,087	1,348,907
Income from operations	**198,150**	210,694	192,141
Investment and other income	**20,231**	10,891	10,244
Earnings before income taxes and minority interests	**218,381**	221,585	202,385
Income taxes (note 14)	**101,866**	108,001	98,292
Minority interests	**1,113**	1,680	1,271
Net earnings	**$115,402**	$111,904	$102,822
Earnings per share (note 15)	**$4.12**	$3.99	$3.67

Consolidated statement of retained earnings

For the year ended December 31
Expressed in United States currency in thousands of dollars

	1981	1980	1979
Balance at beginning of year			
As previously reported	**$603,740**	$538,979	$475,200
Adjustment for the cumulative effect on prior years of the change in accounting for unrealized foreign currency translation adjustments (notes 2 and 11)	**1,239**	57	1,366
As restated	**604,979**	539,036	476,566
Net earnings	**115,402**	111,904	102,822
	720,381	650,940	579,388
Dividends $1.80 per share ($1.64 in 1980; $1.44 in 1979)	**50,476**	45,961	40,352
Balance at end of year	**$669,905**	$604,979	$539,036

Consolidated statement of changes in financial position

For the year ended December 31
Expressed in United States currency in thousands of dollars

	1981	1980	1979
Sources of working capital			
Net earnings	**$115,402**	$111,904	$102,822
Items not requiring current outlays of working capital (note 16)	**33,687**	27,138	32,970
Working capital from operations	**149,089**	139,042	135,792
Sale of fixed assets	**6,707**	11,153	5,648
Addition to long-term debt	**3,833**	3,635	23,144
Dividends from associated corporations	**1,141**	1,290	838
Other sources	**1,732**	471	186
	162,502	155,591	165,608
Applications of working capital			
Dividends	**50,476**	45,961	40,352
Expenditure for fixed assets	**46,600**	48,043	47,633
Reduction in long-term debt	**9,162**	6,282	10,117
Goodwill	**3,627**	–	–
Long-term investment	**1,756**	–	–
Deferred charges	**1,201**	652	905
Investment in associated corporations	**–**	1,982	398
Other applications	**1,964**	965	2,636
	114,786	103,885	102,041
Increase in working capital before unrealized foreign currency translation adjustments	**47,716**	51,706	63,567
Unrealized foreign currency translation adjustments	**(20,134)**	(3,550)	1,570
Increase in working capital	**27,582**	48,156	65,137
Working capital at beginning of year	**455,320**	407,164	342,027
Working capital at end of year	**$482,902**	$455,320	$407,164
Increase (decrease) in working capital by component			
Cash	**$2,701**	$(1,764)	$767
Short-term securities	**8,687**	30,583	(8,890)
Accounts receivable	**5,377**	39,072	53,451
Inventories	**21,506**	(11,890)	59,140
Prepaid expenses	**(95)**	1,560	481
Bank loans	**(3,663)**	(2,097)	(9,294)
Accounts payable and accruals	**(10,362)**	(3,565)	(25,200)
Dividends payable	**(1,133)**	(1,402)	(841)
Accrued income taxes	**4,564**	(2,341)	(4,477)
Increase in working capital	**$27,582**	$48,156	$65,137

Notes to consolidated financial statements

Year Ended December 31, 1981
Expressed in United States currency

Note 1
Summary of accounting policies
Accounting principles:
Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada.

Translation of foreign currencies:
The consolidated financial statements are expressed in United States currency because the greater part of the net assets and earnings are located or originate in the United States. Canadian and other currencies have been translated into United States currency on the following bases:

Current assets, current liabilities, pension liabilities, long-term receivables and long-term debt, at the year-end rates of exchange;

All other assets, liabilities, accumulated depreciation and related charges against earnings and share capital, at historical rates of exchange;

Income and expenses, other than depreciation, at average exchange rates during the year.

Net unrealized exchange adjustments arising on translation of foreign currencies are charged or credited directly to shareholders' equity and shown as unrealized foreign currency translation adjustments.

Realized exchange losses or gains are included in earnings.

Inventories:
Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value. The cost of the principal raw material inventories and the raw material content of finished goods inventories in Canada and the United States is determined on the last-in, first-out basis. The cost of all other inventories is determined on the first-in, first-out basis.

Fixed assets and depreciation:
Fixed assets are stated at historical cost after deducting investment tax credits and other grants on eligible capital assets. Depreciation is provided on a basis that will amortize the cost of depreciable assets over their estimated useful lives using the straight-line method. All costs for repairs and maintenance are expensed as incurred.

The estimated useful lives of buildings range from 20 to 50 years and of machinery and equipment from 5 to 17 years.

Gains or losses on the disposal of fixed assets are included in earnings and the cost and accumulated depreciation related to these assets are removed from the accounts.

Investment in associated corporations:
The Corporation accounts for its investment in associated corporations by the equity method.

Goodwill:
Goodwill is amortized by the straight-line method over periods not exceeding forty years.

Amortization of deferred costs:
Deferred debenture costs are amortized over a ten-year period and deferred production engineering costs are amortized over varying periods not exceeding five years.

Income taxes:
Income taxes are accounted for on the tax allocation basis which relates income taxes to the accounting income for the year.

No provision has been made for taxes on undistributed earnings of subsidiaries not currently available for paying dividends inasmuch as such earnings have been reinvested in the businesses.

Note 2
Change in accounting policy
In 1981, the Corporation adopted on a retroactive basis the accounting policy of charging or crediting directly to shareholders' equity net unrealized exchange adjustments arising on translation of foreign currencies. These amounts are shown as unrealized foreign currency translation adjustments (see note 11). Previously net unrealized exchange losses arising on translation of foreign currencies were charged to earnings and net unrealized exchange gains were deferred and included in accounts payable and accruals to the extent they exceeded any losses previously charged to earnings.

This change increased net earnings by $17,321,000 (62¢ per share) and $1,182,000 (4¢ per share) for the years 1981 and 1980 respectively and decreased net earnings by $1,309,000 (5¢ per share) in 1979. There is no change in total shareholders' equity.

Note 3
Inventories

(in thousands)	**1981**	1980
Raw materials	**$118,031**	$108,625
Work in process	**25,463**	23,737
Finished goods	**108,088**	97,425
Other	**5,540**	5,829
	$257,122	$235,616

The excess of the current cost over the last-in, first-out cost of those inventories determined on the latter basis is approximately $66,000,000 at December 31, 1981 (1980–$57,000,000).

Note 4
Investment in associated corporations

(in thousands)	**1981**	1980
Toppan Moore Company, Ltd. (45% owned)	**$17,960**	$15,334
Formularios y Procedimientos Moore, S.A. (49% owned)	**1,083**	1,077
	$19,043	$16,411

Dividends received from associated corporations in 1981 were $1,141,000 (1980–$1,290,000; 1979–$838,000). The undistributed earnings of associated corporations included in retained earnings are $11,242,000 (1980–$8,610,000; 1979–$8,749,000).

Note 5
Other assets
Other assets include goodwill of $13,219,000 (1980–$10,004,000), net of accumulated amortization of $2,678,000 (1980–$2,322,000).

Note 6
Unused lines of credit
The unused lines of credit outstanding at December 31, 1981 for short-term financing totalled approximately $46,000,000 (1980–$52,000,000), of which $20,000,000 is for the support of commercial paper borrowings. There were no commercial paper borrowings outstanding at the end of either year.

Note 7
Accounts payable and accruals

(in thousands)	**1981**	1980
Trade accounts payable	**$72,011**	$58,570
Other payables	**25,605**	25,730
	97,616	84,300
Accrued payrolls	**27,572**	28,388
Accrued retirement plan payments	**15,031**	14,655
Other accruals	**27,203**	29,717
	69,806	72,760
	$167,422	$157,060

Note 8
Long-term debt

(in thousands)	1981	1980
Moore Corporation Limited		
6% Convertible Subordinated Debentures due 1994 ($43,315,000 Cdn.; 1980–$43,321,000 Cdn.)	**$36,536**	$36,329
Eurocurrency bank loan due 1982 bearing interest at ⅝ of 1% over the London Interbank Offering Rate existing from time to time	**12,054**	13,701
Other loans bearing interest at 7% and 9% due 1983 and 1987	**1,247**	1,286
Moore Business Forms, Inc.		
7.9% Senior Notes due 1996	**18,000**	19,000
Industrial Development Revenue Bonds bearing interest at 6.85% to 9.5% due 2004	**7,350**	7,350
6.75% Promissory Note due 1986, secured by mortgages on certain properties	**1,592**	1,928
Other loans bearing interest at 8% and 9.5% due 1983 and 1989	**161**	295
Capital lease commitments	**1,355**	765
Moore Paragon S.A.		
Bank and other loans payable in French francs bearing interest at 8.25% to 13.4% due 1983 to 1993. Loans amounting to $3,774,000 (1980–$5,015,000) are secured.	**6,446**	8,440
Moore Business Systems Australia Limited		
10.3% secured Debentures payable in Australian dollars due 1983	**3,384**	3,545
Other secured loans payable in Australian and New Zealand dollars bearing interest at 5% to 15% due 1983 to 1992	**1,745**	1,982
Capital lease commitments	**251**	–
Moore Ges.m.b.H.		
Bank loans payable in Austrian schillings bearing interest at 5.5% to 9% due 1983 to 1989	**2,855**	3,486
Other subsidiaries		
Secured loans	**360**	457
Unsecured loans	**2,711**	6,914
Capital lease commitments	**692**	805
	$96,739	$106,283

The 6% Convertible Subordinated Debentures are convertible at any time until April 1, 1984 into common shares at a rate of 17 shares per $1,000 Cdn. principal amount of debentures. Under certain circumstances debentures are redeemable or can be purchased in the market by the Corporation in accordance with the provisions and sinking fund requirements specified in the trust indenture. The trust indenture provides for a sinking fund, with respect to the retirement of the debentures, to commence in 1985. The sinking fund obligations for the years 1985 to 1988 inclusive have been satisfied through the purchase of debentures by the Corporation in prior years.

At December 31, 1981, the London Interbank Offering Rate on the Eurocurrency bank loan was 13.625%. The Eurocurrency loan is denominated in United States dollars (in other currencies in the prior year) and, although due in 1982, is included in long-term debt as the loan is to be renewed at maturity for an additional five years in accordance with an established refinancing arrangement.

The long-term debt of other subsidiaries bears interest at rates ranging from 6.5% to 23%. These debts mature on varying dates to 1990. Loans amounting to $1,765,000 (1980–$1,776,000) are payable in currencies other than United States dollars and loans of $360,000 (1980–$457,000) are secured by assets of four (1980–five) subsidiaries.

The cost of assets subject to lien approximated $95,000,000 (1980–$84,000,000), the liens being primarily mortgages against fixed assets.

Payments of $3,737,000 (1980–$4,571,000) on long-term debt due within one year are included in current liabilities. For the years 1983 through 1986 payments required on long-term debt are as follows: 1983–$9,759,000; 1984–$3,604,000; 1985–$3,468,000 and 1986–$3,375,000.

Note 9

Deferred income taxes and liabilities

Deferred income taxes amount to $46,936,000 (1980–$44,784,000). Deferred liabilities include $4,563,000 (1980–$6,095,000) for pensions under unfunded retirement plans of certain overseas subsidiaries (see note 12).

Note 10

Common shares

The following is a summary of the changes in the authorized and issued common shares without par value since January 1, 1979:

	Authorized number of shares	Issued: Number of shares	Issued: Amount
Balance, January 1, 1979	31,279,264	28,020,646	$33,178,000
Increase in authorized capital	8,720,736		
Exercise of stock options		2,500	75,000
Balance, December 31, 1979	40,000,000	28,023,146	33,253,000
Conversion of $127,000 Cdn. principal amount of 6% Convertible Subordinated Debentures		2,159	111,000
Balance, December 31, 1980	40,000,000	28,025,305	33,364,000
Exercise of stock options		25,500	749,000
Conversion of $6,000 Cdn. principal amount of 6% Convertible Subordinated Debentures		102	3,000
Balance, December 31, 1981	40,000,000	28,050,907	$34,116,000

Pursuant to the terms of the 1976 Executive Stock Option Plan approved by the shareholders of the Corporation on April 14, 1976, 224,400 common shares of the Corporation were reserved for issuance. Under the terms of the Plan, options may be granted to certain key employees to purchase shares of the Corporation at a price per share which is not less than 100% of fair market value on the date the option is granted. Options may be exercised at such times as are determined at the date they are granted and expire not more than ten years from the date granted. On November 3, 1981, options were granted to purchase 36,000 shares of the Corporation. Details of the stock option activity in 1981 are as follows:

Years options granted	1981	1979	1976	Total
Number of common shares under option				
Outstanding December 31, 1980		45,000	47,000	92,000
Options granted	36,000			36,000
Options exercised		(2,000)	(23,500)	(25,500)
Options lapsed		(1,000)	(7,000)	(8,000)
Outstanding December 31, 1981	36,000	42,000	16,500	94,500
Option price per share Canadian currency	$35.73	$37.94	$34.94	

The number of shares available for stock option grants pursuant to the terms of the 1976 Executive Stock Option Plan were 129,900 common shares as at January 1, 1981 and 101,900 common shares as at December 31, 1981.

At December 31, 1981, as required by the provisions of the trust indenture relating to the 6% Convertible Subordinated Debentures, 736,355 common shares were reserved to meet the conversion privilege of the debentures.

In August 1981, the Corporation adopted an Optional Stock Dividend and Dividend Reinvestment Plan effective with the dividend payable on January 2, 1982.

Note 11

Unrealized foreign currency translation adjustments

(in thousands)	**1981**	1980	1979
Balance at beginning of year	**$1,239**	$57	$1,366
Adjustments for the year	**17,321**	1,182	(1,309)
Balance at end of year	**$18,560**	$1,239	$57

Note 12

Retirement plans

Based on the latest reports of independent consulting actuaries on the Corporation's United States and Canadian retirement plans, all vested benefits are fully funded and it is estimated that the obligations for pension benefits expected to accrue and vest in the future, which are related to prior service, approximate $97,000,000 as at December 31, 1981 (1980–$96,400,000). Consistent with preceding years, these obligations will be recorded in the accounts and funded by annual payments over periods not exceeding thirty years.

Funded contributory retirement plans are available for employees in some of the international subsidiaries and current service costs under these plans are being charged to earnings and funded annually. In other international subsidiaries, where either state or funded retirement plans exist, there are certain small supplementary unfunded plans.

Pensionable service prior to establishing funded contributory retirement plans in some international subsidiaries, covered by former discretionary non contributory retirement plans, was assumed as a prior service obligation. The deferred liability for pensions at December 31, 1981, referred to in note 9, relates primarily to the unfunded portion of this prior service obligation.

Note 13

Consolidated statement of earnings information

(in thousands)	**1981**	1980	1979
Interest expense			
Interest on long-term debt	**$9,060**	$10,056	$8,798
Other interest expense	**4,794**	4,580	2,460
Amortization of deferred debenture costs	**111**	110	211
	$13,965	$14,746	$11,469
Investment and other income			
Equity in earnings of associated corporations	**$3,510**	$2,879	$2,726
Discount earned on purchase of 6% Convertible Subordinated Debentures	**–**	325	785
Interest on short-term investments	**16,721**	7,687	6,733
	$20,231	$10,891	$10,244
Repairs and maintenance	**$32,352**	$27,774	$28,260
Taxes other than income and payroll taxes	**24,355**	26,449	22,312
Pension plan expense	**20,790**	21,225	19,963
Rent expense	**26,745**	20,974	15,122
Research and development expense	**13,197**	14,623	14,466
Amortization of goodwill	**356**	326	363

Note 14

Income taxes

(in thousands)

The components of earnings before income taxes and the provision for income taxes for the three years ended December 31, 1981 are as follows:

Earnings before income taxes	**1981**	1980	1979
Canada	**$19,919**	$12,036	$6,189
United States	**153,848**	165,813	157,676
Other countries	**44,614**	43,736	38,520
	$218,381	$221,585	$202,385

Provision for income taxes	**1981**		1980		1979	
	Current	**Deferred**	Current	Deferred	Current	Deferred
Canada (federal and provincial)	**$8,605**	**$71**	$6,774	$(927)	$3,634	$(596)
United States						
Federal	**63,955**	**1,359**	70,209	308	69,100	(1,153)
State	**9,775**	**246**	10,907	117	10,265	(110)
Other countries	**18,046**	**(191)**	22,920	(2,307)	15,419	1,733
	$100,381	**$1,485**	$110,810	$(2,809)	$98,418	$(126)

(Note 14 continued)

Deferred income taxes in each of the three years arose from a number of differences of a timing nature between income for accounting purposes and taxable income in the jurisdictions in which the Corporation and its subsidiaries operate. In each year, these timing differences included the variation between tax and accounting depreciation, state income taxes in the United States and other items.

The effective rates of tax for each year as compared to the statutory Canadian rates were as follows:

	1981	1980	1979
Canadian combined federal and provincial statutory rate as applied to manufacturing and processing profits	**44.8%**	44.7%	43.0%
Increase, primarily the net effect of tax rates in other countries	**1.8**	4.0	5.6
Total consolidated effective tax rate	**46.6%**	48.7%	48.6%

The lower effective rate of tax in 1981 reflects the release of all deferred taxes relating to United Kingdom stock relief claims, a reduction in the Mexican tax rate and an increase in tax exempt income, less the write off of previously deferred Advance Corporation Tax in the United Kingdom which it is anticipated cannot be recovered against income taxes payable in the next two years.

Note 15

Earnings and fully diluted earnings per share

The earnings per share calculations are based on the weighted average of the common shares outstanding during the year.

If it were assumed that at the beginning of the year the 6% Convertible Subordinated Debentures had been converted into common shares and all outstanding stock options had been exercised with the funds derived therefrom yielding an annual return of 9% net of tax, the earnings per share for the year would have been $4.04 (1980–$3.91; 1979–$3.61) (see note 19).

Note 16

Items not requiring current outlays of working capital

(in thousands)	1981	1980	1979
Depreciation	**$35,121**	$33,780	$31,076
Equity in earnings of associated corporations	**(3,510)**	(2,879)	(2,726)
Minority interest in earnings	**1,113**	1,680	1,271
Deferred income taxes	**1,485**	(2,809)	(126)
Other	**(522)**	(2,634)	3,475
	$33,687	$27,138	$32,970

Note 17

Lease commitments

(in thousands)

At December 31, 1981, long-term lease commitments required approximate future rentals as follows:

1982	$25,412
1983	17,871
1984	13,324
1985	$10,100
1986	7,717
1987 and thereafter	10,533

Note 18

Segmented information

(in thousands)

The Corporation and its subsidiaries have operated predominantly in one industry during the three years ended December 31, 1981, that being the manufacture and sale of business forms and related products and services. Transfers of product between geographic segments are generally accounted for on a basis that results in a fair profit being earned by each segment. The export of product from Canada is insignificant.

(Note 18 continued)

Geographic segments

1981	Canada	United States	Europe	Other	Consolidated
Total revenue	$180,498	$1,221,827	$296,374	$187,923	$1,886,622
Intergeographical segment sales	(36)	(6,952)	(571)	–	(7,559)
Sales to customers outside the enterprise	$180,462	$1,214,875	$295,803	$187,923	$1,879,063
Segment operating profit	$22,723	$144,881	$16,535	$26,017	$210,156
Interest expense					(13,965)
General corporate revenue					1,959
Income from operations					$198,150
Identifiable assets	$93,881	$663,395	$208,899	$124,120	$1,090,295
Intersegment eliminations					(32,519)
Corporate assets including investments in associated corporations					30,538
Total assets					$1,088,314
Depreciation expense	$2,937	$21,686	$6,568	$3,930	$35,121
Capital expenditures	$5,670	$22,478	$8,388	$10,064	$46,600

1980	Canada	United States	Europe	Other	Consolidated
Total revenue	$161,120	$1,134,589	$346,846	$168,585	$1,811,140
Intergeographical segment sales	(10)	(6,340)	(9)	–	(6,359)
Sales to customers outside the enterprise	$161,110	$1,128,249	$346,837	$168,585	$1,804,781
Segment operating profit	$19,584	$163,075	$15,954	$27,961	$226,574
Interest expense					(14,746)
General corporate expense					(1,134)
Income from operations					$210,694
Identifiable assets	$79,074	$603,708	$224,217	$113,712	$1,020,711
Intersegment eliminations					(7,978)
Corporate assets including investments in associated corporations					24,048
Total assets					$1,036,781
Depreciation expense	$2,518	$20,422	$6,985	$3,855	$33,780
Capital expenditures	$4,046	$27,696	$9,810	$6,491	$48,043

1979	Canada	United States	Europe	Other	Consolidated
Total revenue	$135,734	$992,373	$294,062	$129,568	$1,551,737
Intergeographical segment sales	(120)	(10,037)	(225)	(307)	(10,689)
Sales to customers outside the enterprise	$135,614	$982,336	$293,837	$129,261	$1,541,048
Segment operating profit	$15,443	$153,100	$19,314	$17,413	$205,270
Interest expense					(11,469)
General corporate expense					(1,660)
Income from operations					$192,141
Identifiable assets	$72,380	$561,551	$230,717	$87,916	$952,564
Intersegment eliminations					(8,160)
Corporate assets including investments in associated corporations					23,695
Total assets					$968,099
Depreciation expense	$2,277	$19,531	$6,885	$2,383	$31,076
Capital expenditures	$4,129	$21,585	$13,725	$8,194	$47,633

Note 19

Differences between Canadian and United States generally accepted accounting principles

The continued registration of the common shares of the Corporation with the Securities and Exchange Commission and listing of the shares on the New York Stock Exchange requires compliance with the integrated disclosure rules of the Securities and Exchange Commission.

The accounting policies in note 1 and accounting principles generally accepted in Canada are consistent in all material respects with United States generally accepted accounting principles except in the following areas:

Translation of foreign currencies:

Under Statement 52 of the Financial Accounting Standards Board issued in December 1981, most assets and liabilities in foreign currency financial statements would be translated at current exchange rates and the unrealized translation adjustments accumulated in a separate component of shareholders' equity. If Statement 52 were followed, the resulting adjustments would decrease net earnings by $2,863,000, $1,445,000 and $2,294,000 in the years 1981, 1980 and 1979 respectively. Consolidated net assets would be reduced by $12,111,000 and $5,809,000 at December 31, 1981 and 1980 respectively, with the major part of this reduction being in fixed assets.

Retirement plans:

Under United States generally accepted accounting principles, the total cost of a special supplementary pension plan established in 1977, amounting to $13,152,000, would have been recorded as an expense in that year and a deferred pension liability, in the same amount, would have been established. This adjustment would result in a corresponding increase in earnings for the years 1978 through 1981. The related after tax effect would have been to decrease earnings in 1977 by $6,613,000 and to increase earnings in 1978, 1979, 1980 and 1981 by $2,109,000, $1,879,000, $1,527,000 and $1,182,000 respectively.

Under United States generally accepted accounting principles additional information as set out in the table below, available only in respect of the Corporation's United States and Canadian retirement plans, would be disclosed. The data is based upon the latest reports of independent consulting actuaries on the Corporation's United States and Canadian retirement plans which cover substantially all of the employees in those countries. The value of the net assets of those plans has been determined on a full accrual, market value basis and the amount funded and expensed each year includes an amount to cover current service costs and an amount to amortize past service costs.

(in thousands)	**January 1, 1981**	January 1, 1980
Actuarial present value of accumulated plan benefits of which $117,287,000 (1980–$105,625,000) are vested	**$126,970**	$114,264
Net assets available for benefits	**160,826**	126,050
Assumed interest rate used in calculating accumulated plan benefits	**7.5%**	7.5%

Earnings and fully diluted earnings per share:

The calculation of primary earnings per share under United States generally accepted accounting principles would include the common stock equivalent of the 6% Convertible Subordinated Debentures and any outstanding stock options granted where the average market price for the year exceeds the option price. Under United States generally accepted accounting principles the calculation of fully diluted earnings per share would include the dilutive effect, if any, of any common shares issued during the period on conversion of debentures or the exercise of stock options with effect from the beginning of the period. Also, the calculation of fully diluted earnings per share would include the additional dilutive effect of outstanding options if the market price at the close of the period is higher than the average market price used in computing primary earnings per share.

Assuming translation of foreign currencies and the recording of the special supplementary pension plan expense on the above described United States generally accepted accounting principles, net earnings would be $113,721,000 (1980–$111,986,000; 1979–$102,407,000). Related earnings per common and common equivalent share and assuming full dilution would be $3.99 (1980–$3.93; 1979–$3.60).

Note 20

Comparative consolidated financial statements

Certain amounts in the 1980 and 1979 consolidated financial statements have been restated for comparative purposes.

Management's statement on financial reporting

The accompanying consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada.

The Corporation maintains a system of internal control which is designed to provide reasonable assurance that assets are safeguarded and that reliable financial records are maintained.

The consolidated financial statements have been examined by the Corporation's independent auditors, Price Waterhouse, and their report is included herein.

The Audit Committee of the Board of Directors is composed entirely of outside directors and meets periodically with the Corporation's independent auditors, management and the Corporation's Internal Auditor to discuss the scope and results of audit examinations with respect to adequacy of internal controls and financial reporting of the Corporation.

Auditors' report

To the Shareholders of
Moore Corporation Limited:

We have examined the consolidated balance sheets of Moore Corporation Limited as at December 31, 1981 and 1980 and the consolidated statements of earnings, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1981. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1981 and 1980 and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1981 in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in accounting for unrealized foreign currency translation adjustments as described in note 2 to the consolidated financial statements, on a consistent basis.

Price Waterhouse
Chartered Accountants
Toronto, Canada
February 23, 1982

Distribution of revenue	**1981**	1980	1979
Sales and investment and other income	**100.0%**	100.0%	100.0%
Used as follows:			
Wages, salaries and employee benefits	**32.2**	32.0	32.2
Materials, supplies and services	**53.3**	53.3	52.3
Depreciation	**1.8**	1.9	2.0
Income, property and other taxes	**6.5**	6.6	6.8
Allocated to minority interests	**.1**	.1	.1
Dividends	**2.7**	2.5	2.6
Retained in business	**3.4**	3.6	4.0

Quarterly financial information

Expressed in United States currency and except per share amounts in thousands of dollars (unaudited)

	1981				1980[2]			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter[1]	First quarter
Sales	$497,432	$467,562	$457,332	$456,737	$476,206	$440,685	$444,923	$442,967
Cost of sales	333,192	315,897	305,065	300,054	310,008	293,305	292,199	290,823
Income from operations	57,353	45,823	43,838	51,136	63,017	44,618	49,898	53,161
Net earnings	32,275	26,815	26,146	30,166	34,171	23,548	26,239	27,946
Per share	$1.15	$.96	$.93	$1.08	$1.22	$.84	$.93	$1.00
Based on United States generally accepted accounting principles (note 19)[3]								
Net earnings	$31,968	$26,249	$25,811	$29,693	$34,041	$23,624	$26,108	$28,213
Per share	$1.12	$.92	$.91	$1.04	$1.19	$.83	$.92	$.99

[1] The sale of the business forms printing machinery plant in the United States less provision for the cost of closing certain plants in the United Kingdom and the settlement of private damage suits against the Corporation's packaging subsidiary arising out of previous antitrust litigation resulted in a net gain of $0.8 million in the quarter.

[2] Net earnings and net earnings per share have been restated in accordance with the change in accounting policy described in note 2.

[3] Restated to reflect the application of Statement 52 of the Financial Accounting Standards Board.

Market price of common shares and related security holder matters

	1981				1980			
	Fourth quarter	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Toronto Stock Exchange *(Canadian currency)*								
High	$39⅞	$43⅞	$46¾	$45⅝	$41¾	$43⅜	$37⅛	$39
Low	34⅞	35¼	42	39¼	37½	35	33¼	32
Montreal Stock Exchange *(Canadian currency)*								
High	39½	43½	46¾	45¼	41⅝	43⅛	37¼	39
Low	35	36	42⅜	39¼	37½	35⅛	33½	32
New York Stock Exchange and prior to November 13, 1980 New York over-the-counter market *(United States currency)*								
High	33½	36¾	38⅝	38⅜	34⅞	36⅝	32	33¼
Low	28¾	29½	35	32½	31¾	30¼	28	27½
Dividends paid per common share *(United States currency)*	45¢	45¢	45¢	41¢	41¢	41¢	41¢	36¢

There are no restrictions on the export or import of capital which affect the remittance of dividends, interest or other payments to non resident holders of the Corporation's securities.

The Foreign Investment Review Act requires the prior approval by the Government of Canada of the acquisition by, or transfer to, non residents of Canada of direct or indirect control of a Canadian business entity, such as the Corporation. The Act does not apply to the purchase of shares or securities of a corporation where such purchases would not give the purchasers effective control of that corporation.

Withholding taxes at the rate of 25% are imposed on the payment of interest and cash dividends to non residents of Canada. Under the Canada/United States tax treaty, such rate is reduced from 25% to 15%. Prior to November 13, 1981, such rate of withholding tax was further reduced, as regards dividends paid by the Corporation, to 10%. However, on November 12, 1981 the Minister of Finance of the Government of Canada presented a budget in the House of Commons including a provision which, if it becomes law, will eliminate such further reduction for dividends paid after November 12, 1981. Stock dividends to non residents of Canada are generally not subject to Canadian withholding tax.

Ten-year summary

Expressed in United States currency and except per share amounts in thousands of dollars

Income statistics	**1981**	1980	1979
Sales	**$1,879,063**	$1,804,781	$1,541,048
Income from operations	**198,150**	210,694	192,141
Per dollar of sales	**10.5¢**	11.7¢	12.5¢
Income taxes	**101,866**	108,001	98,292
Percent of pretax earnings	**46.6%**	48.7%	48.6%
Earnings before extraordinary items	**115,402**	111,904	102,822
Per dollar of sales	**6.1¢**	6.2¢	6.7¢
Per share	**$4.12**	$3.99	$3.67
Net earnings	**115,402**	111,904	102,822
Per dollar of sales	**6.1¢**	6.2¢	6.7¢
Per share	**$4.12**	$3.99	$3.67
Dividends	**50,476**	45,961	40,352
Per share	**$1.80**	$1.64	$1.44
Earnings retained in business	**64,926**	65,943	62,470

Balance sheet and other statistics	**1981**	1980	1979
Current assets	**$721,691**	$683,515	$625,954
Current liabilities	**238,789**	228,195	218,790
Working capital	**482,902**	455,320	407,164
Ratio of current assets to current liabilities	**3.0:1**	3.0:1	2.9:1
Fixed assets (net)	**323,945**	318,082	309,084
Long-term debt	**96,739**	106,283	111,291
Ratio to equity	**0.1:1**	0.2:1	0.2:1
Shareholders' equity	**685,461**	637,104	572,232
Per share	**$24.45**	$22.73	$20.42
Total assets	**1,088,314**	1,036,781	968,099
Number of shareholders of record at year end	**18,370**	18,999	18,547
Number of employees	**27,703**	27,839	28,317

1978	1977	1976	1975	1974	1973	1972
$1,323,362	$1,183,890	$1,053,427	$1,005,610	$1,032,192	$607,129	$499,400
163,439	158,894	142,427	154,607	168,597	111,104	92,535
12.4¢	13.4¢	13.5¢	15.4¢	16.3¢	18.3¢	18.5¢
87,576	86,862	77,688	83,597	91,825	60,407	49,429
51.1%	52.6%	52.2%	52.3%	53.7%	52.3%	51.8%
82,303	75,469	66,271	72,021	72,725	54,896	46,022
6.2¢	6.4¢	6.3¢	7.2¢	7.0¢	9.0¢	9.2¢
$2.94	$2.69	$2.37	$2.56	$2.60	$1.63	$1.62
80,655	74,436	65,059	72,021	74,725	55,760	46,022
6.1¢	6.3¢	6.2¢	7.2¢	7.2¢	9.2¢	9.2¢
$2.88	$2.65	$2.33	$2.56	$2.67	$1.96	$1.62
36,987	33,624	33,624	33,621	26,894	21,970	19,199
$1.32	$1.20	$1.20	$1.20	96.0¢	77.5¢	67.5¢
43,668	40,812	31,435	38,400	47,831	33,790	26,823

1978	1977	1976	1975	1974	1973	1972
$521,005	$501,685	$452,975	$424,105	$443,393	$346,328	$206,953
178,978	196,036	137,232	136,386	181,317	116,719	53,889
342,027	305,649	315,743	287,719	262,076	229,609	153,064
2.9:1	2.6:1	3.3:1	3.1:1	2.4:1	3.0:1	3.8:1
298,040	289,976	285,312	287,589	277,362	246,399	152,813
96,614	90,780	90,417	92,082	93,248	84,852	24,452
0.2:1	0.2:1	0.2:1	0.2:1	0.3:1	0.3:1	0.1:1
508,378	464,074	424,139	397,278	358,398	310,020	288,652
$18.14	$16.56	$15.14	$14.18	$12.79	$11.07	$10.15
849,398	819,877	764,262	737,153	741,213	611,142	389,558
19,993	20,059	20,036	20,198	20,668	21,303	21,537
26,748	27,045	25,964	26,279	29,535	28,760	16,431

Directors and executive personnel

Board of Directors

David W. Barr
Toronto
Chairman of the Board

Edward H. Crawford
Toronto
President, The Canada Life Assurance Company

James D. Farley
New York, N.Y.
Executive Vice President Citibank, N.A.

J. Douglas Gibson
Toronto
Chairman of the Board, Canadian Reinsurance Company
Canadian Reassurance Company

L. Edward Grubb
Durham, N.H.
Corporate Director

Richard W. Hamilton
Toronto
President and Chief Executive Officer

Edwin H. Heeney
Toronto
Corporate Director

W. Harold Rea
Toronto
Vice President and Director, The Mutual Life Assurance Company of Canada

Cedric E. Ritchie
Toronto
Chairman of the Board and Chief Executive Officer, The Bank of Nova Scotia

Honorary Directors

W. Herman Browne
Toronto

J. Stuart Fleming
Niagara Falls, N.Y.

Alan H. Temple
New York, N.Y.

Corporate Officers

David W. Barr
Chairman of the Board

Richard W. Hamilton
President and Chief Executive Officer

Judson W. Sinclair
Senior Vice President–Finance

Wilbur M. Nichols
Senior Vice President–International

Robert H. Downie
Senior Vice President–Development

Donald S. Dunlop
Vice President and Treasurer

Florence E. Dougherty
Secretary

George G. Flint
Comptroller

Corporate Services

Alan H. Fleming
Auditor

Peter McConnachie
Director of Human Resources

William F. Young
Director, Corporate Cost and Pricing

Canadian Operating Management

Moore Business Forms Division
Joseph B. McArthur
Vice President and General Manager

Reid Dominion Packaging Limited
Richard W. Bastien
Executive Vice President and General Manager

United States Operating Management

Moore Business Forms, Inc.

United States Forms Division
Lee C. Rumph
Executive Vice President

Homer T. Anderson
Vice President, Specialty Units

Robert M. Cooley
Vice President and Comptroller

M. Keith Goodrich
Vice President, Manufacturing

John A. Heist
Vice President, Human Resources

H. Ross Martin
Vice President, Information Services

Thomas J. Pruter
Vice President, Marketing

John L. Wilson
Vice President, Research

Response Graphics Division
John R. Anderluh
Vice President and General Manager

Moore Business Systems
Henry P. Cooper
Vice President and General Manager

International Graphics Division
Richard C. Delano
Vice President and General Manager

F.N. Burt Company, Inc.
Graham J. McClean
Vice President and General Manager

International Operating Management

Toronto, Canada
James L. Saunders
Vice President and General Manager International Division

Bernard Coburn
Regional Chief Executive Australasia

Earl C. Kraft
Regional Chief Executive Mexico

Albert G. Taylor
Regional Chief Executive ANCOM Region

London, England
Donald E. Wandersee
Vice President and General Manager International Division

A. Roger Barichello
Regional Chief Executive Southern Europe

Charles L. Dawson
Regional Chief Executive Northern Europe

John W. Flowers
Regional Chief Executive United Kingdom & Éire

Phillip Hoegarts
Regional Chief Executive Central Europe

Pieter A. Laubscher
Regional Chief Executive Southern Africa

Roger Prêtre
Regional Chief Executive Western Europe

Changes in officers and executives

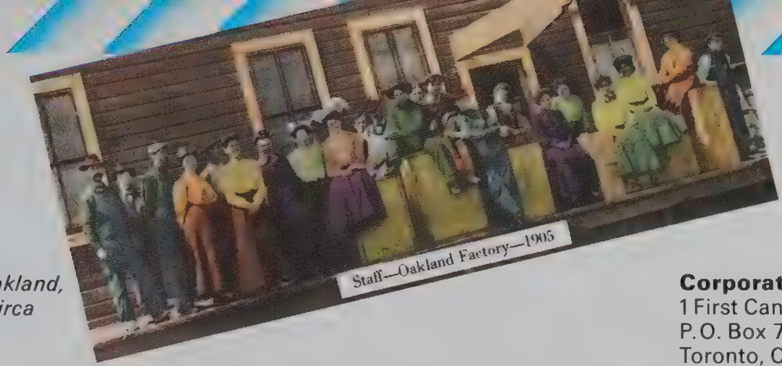
Maurice O. Beverley retired as a senior vice president, Moore Corporation Limited. Mr. Beverley served with distinction for more than 33 years.

Chester H. Naukam retired as vice president and director, sales and marketing, United States Forms Division, Moore Business Forms, Inc. after a distinguished 40-year career.

Thomas J. Pruter, formerly vice president of United States sales was appointed vice president, marketing; and Homer T. Anderson, formerly vice president of corporate marketing, was appointed vice president, specialty units, United States Forms Division, Moore Business Forms, Inc.

A. Roger Barichello, formerly manager, technical services, research, United States Forms Division, Moore Business Forms, Inc., was appointed regional chief executive, Southern Europe, to succeed Denis Nichol who retired after 33 years of loyal service.

John W. Flowers, formerly sales manager, Western Canada, Moore Business Forms Division, was appointed regional chief executive, United Kingdom and Éire Region.



The staff of the Oakland, California plant, circa 1905.

Close attention to the needs of various industry segments is provided by a Dry Cleaners' Clinic held at Elmira, New York in 1953.

The staff of the Denver sales office in the 1920s pose with a motorcycle sidecar built in the shape of a Wiz counter register.

Corporate Office
1 First Canadian Place
P.O. Box 78
Toronto, Canada M5X 1G5

Transfer Agents
National Trust
Company, Limited
21 King Street East,
Toronto M5C 1B3

1350 Sherbrooke St. West,
Montreal H3G 1J1

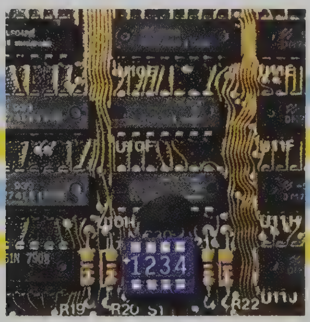
250 Portage Avenue,
Winnipeg R3C 0B5

150 Toronto-Dominion
Square,
320-8th Avenue S.W.,
Calgary T2P 3B2

510 Burrard Street,
Vancouver V6C 2J7

Manufacturers Hanover
Trust Company
4 New York Plaza,
New York, N.Y. 10015

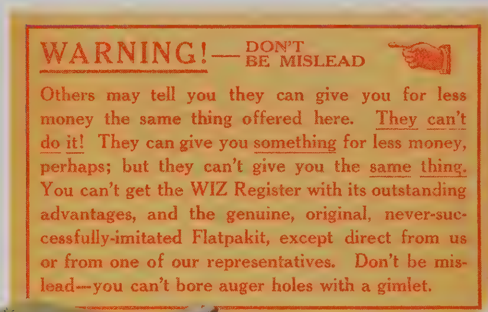
A Moore plant in the early 1900s located in Toronto, Ontario where Samuel J. Moore launched the industry in 1882.



The small business computer represents significant growth for Moore.

Printed in Canada

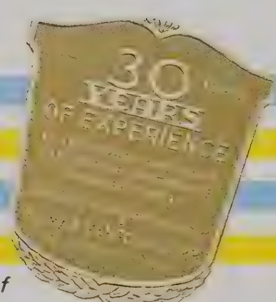
▼*Optical Character Recognition (OCR) is a printing method which enables machines to read data recorded on business forms.*


WARNING!— DON'T BE MISLEAD

Others may tell you they can give you for less money the same thing offered here. They can't do it! They can give you something for less money, perhaps; but they can't give you the same thing. You can't get the WIZ Register with its outstanding advantages, and the genuine, original, never-successfully-imitated Flatpakit, except direct from us or from one of our representatives. Don't be mislead—you can't bore auger holes with a gimlet.

▲*An early Wiz counter register brought the convenience and efficiency of continuous forms to handwritten recordkeeping.*

▲*Moore representatives meet in a 1912 convention to celebrate outstanding sales achievements. Today, Moore has 5,500 representatives worldwide in 800 sales offices.*



▶*Gilman Fanfold, one of the many companies which became part of the Moore organization, marked its 30th anniversary in 1940.*

AR07

PROSPECTUS

MOORE CORPORATION LIMITED

1 FIRST CANADIAN PLACE
P.O. BOX 78, TORONTO, CANADA M5X 1G5
(416) 364-2600

OPTIONAL STOCK DIVIDEND AND DIVIDEND REINVESTMENT PLAN OF MOORE CORPORATION LIMITED

Moore Corporation Limited (the "Corporation") hereby offers to holders of its common shares without par value ("shares"), the option to receive additional shares pursuant to the Optional Stock Dividend and Dividend Reinvestment Plan of Moore Corporation Limited (the "Plan").

Unless otherwise indicated by the designation "Canadian" or "Cdn." all dollar amounts herein are expressed in United States currency.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREBY AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE IN CANADA.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

The date of this Prospectus is October 19, 1981.

TABLE OF CONTENTS

THE CORPORATION

Moore Corporation Limited (the "Corporation") is incorporated under the laws of Ontario, Canada and, through its subsidiary companies which are incorporated in various countries, operates in many countries of the free world. The principal activity of the Corporation and its subsidiaries (collectively "Moore") is the manufacture and sale of business forms and related products and services which facilitate the recording, communication, retention and retrieval of business information.

OPTIONAL STOCK DIVIDEND AND DIVIDEND REINVESTMENT PLAN
OF
MOORE CORPORATION LIMITED

QUESTIONS AND ANSWERS

Description

1) What is the Optional Stock Dividend and Dividend Reinvestment Plan of Moore Corporation Limited (the ''Plan'')?

There are two options available under the Plan to allow holders of the Corporation's shares to acquire additional shares. One of these is the stock dividend option, under which shareholders may elect to receive dividends in the form of shares. The other option is the dividend reinvestment option, under which shareholders will have their cash dividends reinvested to acquire additional shares.

Participation is entirely voluntary and a shareholder who does not wish to select either of these options should take no action and will continue to receive dividends in cash.

The stock dividend option and the dividend reinvestment option effectively offer the same benefits. The difference between the options lies primarily in the tax considerations, which are summarized under the heading of Tax Considerations on pages 10, 11 and 12. The shareholder is urged to consider the effect of the tax consequences and to obtain competent tax advice before choosing either of these options.

Purpose

2) What is the purpose of the Plan?

The purpose of the Plan is to provide holders of the Corporation's shares with a simple and convenient method of obtaining additional shares, at a 5% discount from market value, without incurring any brokerage or service charges.

Advantages

3) What are the advantages to shareholders of participation in the Plan?

The following are some of the advantages which will accrue to participants:

(a) Participants will acquire shares at a 5% discount from their market value.

(b) Participants will acquire shares without incurring brokerage or service charges.

(c) Participation in the Plan will provide tax benefits to certain shareholders.

(d) Fractional shares as well as whole shares will be credited to the participants in the Plan, thereby ensuring full investment of the entire dividend.

(e) Because the shares are held by the agent appointed by the Corporation to administer the Plan until the shareholder requests them, safekeeping and recordkeeping are reduced. Quarterly statements will be issued showing the total number of shares, including fractional shares, held for the account of the shareholder under the Plan.

4) What is the advantage of the Plan to the Corporation?

The advantage to the Corporation is the conservation of cash.

Agent

5) Who is the agent for participants in the Plan?

The Corporation has appointed National Trust Company, Limited, 21 King Street East, Toronto, Canada M5C 1B3 (the ''Agent'') as agent for participants in the Plan. All Participation Forms, notices and communications with respect to a participant's account should be forwarded to the Agent.

Participation

6) How does a shareholder participate in the Plan?

A shareholder may participate by completing and signing a Participation Form. Participation will be effective in respect of all shares registered in the name of the shareholder. For shares registered in more than one name, all registered holders must sign the Participation Form. Also, where a shareholder's total holding is registered in different names, e.g., full name on some shares and initials and surname on other shares, a separate Participation Form must be completed for each style of registration. Shareholders whose shares are registered in names other than their own (i.e., in the name of a broker or nominee) must transfer the shares to their own name or instruct the nominee to participate on their behalf, if they wish to participate in either option of the Plan. Additional Participation Forms may be obtained by writing to the Agent. The signed Participation Form must be received by the Agent on or before the fifth business day prior to a dividend record date to be effective for that dividend; otherwise it will be effective for the following dividend.

7) How does a shareholder change participation in the Plan?

A shareholder may change from the dividend reinvestment option to the stock dividend option or vice versa merely by completing a new Participation Form indicating the desired election. The Participation Form must be received by the Agent on or before the fifth business day prior to a dividend record date to be effective for that dividend; otherwise it will be effective with the following dividend.

8) How does a shareholder terminate participation in the Plan?

Participation in the Plan after election is continuous until the participant informs the Agent in writing of termination of participation, or until the Plan is terminated by the Corporation. The effective date of termination will always be the date upon which the written notice is received by the Agent, unless it is received less than five business days prior to a dividend record date in which case the effective date of termination will be the first business day following the record date.

In addition, a participant will cease to be a participant in the Plan upon ceasing to be the registered holder of any shares for which certificates have been issued.

When a participant terminates participation in the Plan or if the Corporation terminates the Plan, certificates for whole shares held in the Plan as of the effective date of termination will be issued and a cash payment will be made for any fraction of a share. Cash payments for fractional shares will be based on the last price per share traded in a lot of at least 100 shares on The Toronto Stock Exchange (or such other exchange as the Corporation may designate) on the effective date of termination.

9) How many shares will be credited to a participant under the Plan?

The number of shares, including whole and fractional shares, to be credited to a participant's account under either option will be the amount of the dividend otherwise receivable in cash (less any applicable Canadian withholding tax and after converting the balance thereof to Canadian dollars at the Bank of Canada noon rate on the record date in the case of a dividend declared payable in other than Canadian currency) divided by an amount equal to 95% of the market value of a share. The market value of a share to be used in the foregoing calculation shall be the simple average of the high and low prices at which shares of the Corporation traded on The Toronto Stock Exchange (or on such other exchange as the Corporation may designate) for each of the five days immediately preceding the record date for such dividend as reported by such exchange for the days on which a lot of at least a 100 shares was so traded.

Share Certificates

10) Will share certificates for either whole or fractional shares be sent to shareholders under either option of the Plan?

Whole shares issued under either the stock dividend option or the dividend reinvestment option of the Plan will be registered in the name of the participant, but no certificates for such shares will be issued to the shareholder except upon termination of participation in either option of the Plan, or upon his written notice to the Agent.

Fractional shares will be held by the Agent for the accounts of participants and will accumulate to whole shares in the Plan until termination, but under no circumstances will certificates be issued for fractional shares.

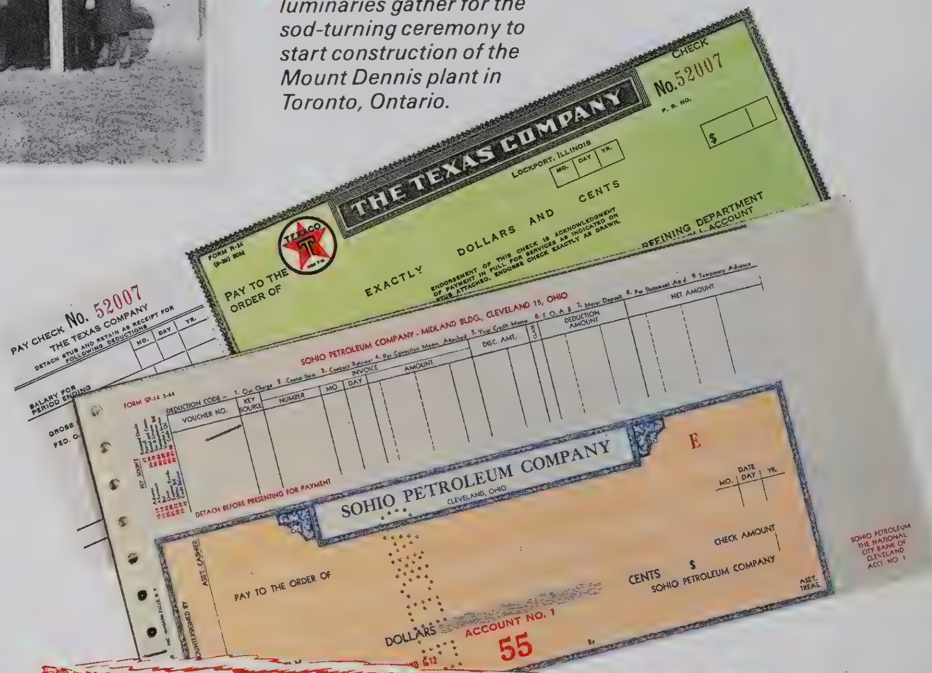
Tax Considerations

11) What are the general tax considerations?

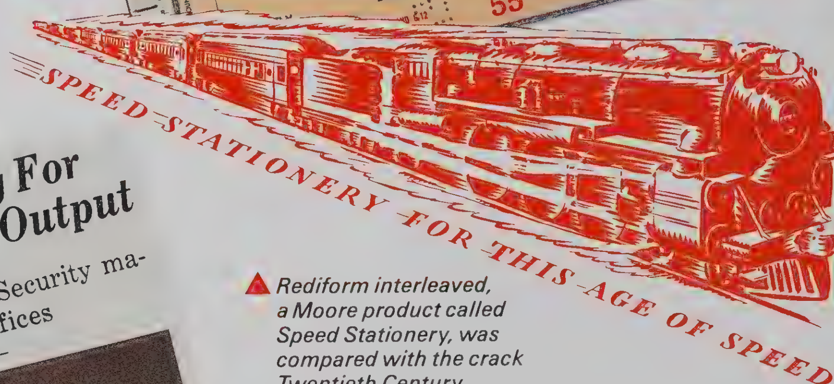
A brief discussion of the tax considerations affecting Canadian and United States shareholders is presented on pages 10, 11 and 12. This discussion may not cover all relevant tax considerations and shareholders should consider their individual circumstances to determine which, if either, of the options in the Plan should be selected. Shareholders who are unsure of how the options in the Plan may affect their taxable position should obtain competent tax advice.

The following pages provide information in greater detail with respect to the Plan. Each shareholder is urged to read this additional information.

Moore management and luminaries gather for the sod-turning ceremony to start construction of the Mount Dennis plant in Toronto, Ontario.



This symbol identified the new Moore Corporation Limited created January 1, 1929 when the independent members of the "Moore Group" went public by selling shares to investors. The initial public offering was on behalf of the three largest of nine related businesses. Others subsequently came under this corporate umbrella. Today, Moore has 18,500 registered shareholders. Dividends have been paid continuously since 1934.



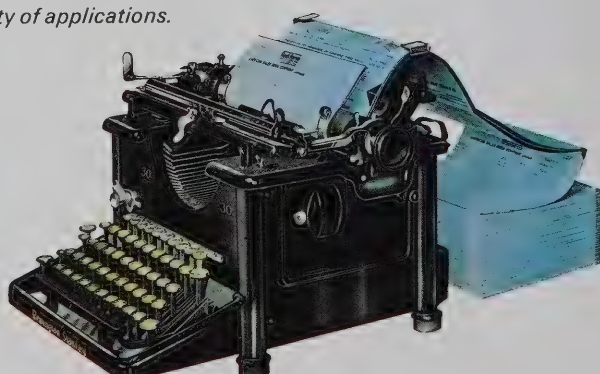
Rediform interleaved, a Moore product called Speed Stationery, was compared with the crack Twentieth Century Limited train as ushering in the "Age of Speed" in recordkeeping. The principle of the continuous strip, folded zigzag, with carbon paper already inserted was used in a variety of applications.

Million Cards Per Day For Uncle Sam, Plant's Output

Falls factory producing Social Security materials for use in postoffices

SOCIAL SECURITY BLANKS SHIPPED—The first of 24 shipments of social security blanks were made from a Niagara Falls printing plant yesterday to points in the West. Checking out the baggage car load are: Joseph H. Boudreau, Stephen Strack, William F. White, Postmaster Edward F. Canavan, George J. Gasse, Jr., and Benjamin F. Collins.

A total of 40 million card blanks were produced for the U.S. government to launch the Social Security program in 1936. Two presses operated around the clock to print up to one million cards each day.



Rediform interleaved was easily adapted for use with a variety of forms writing machines.

Happy 100th Birthday

"To provide products and services which facilitate the recording, communication, retention and retrieval of business information."

These sixteen words distill the experiences of 100 years.

In 1982, the worldwide Moore organization is celebrating a full century of continuous activity as a business enterprise. The story has been told many times of how 22-year-old Samuel J. Moore perceived opportunities in an idea brought to him by John R. Carter and in 1882 started manufacturing an innovative duplicating counter sales book.

This annual report recalls in illustrations and text many of the events, the people and the changes in the world and in Moore's business through the years since that time.

Only a few milestones, a few of those moments in history which later prove especially significant, are noted here.

–The founding company and operations were in the city of Toronto of a very young Canada. Within two years, in 1883, the burgeoning United States was entered with the establishment of a plant to manufacture the Paragon Check Book at Niagara Falls, New York.

–Within five years, the first moves overseas began–to England, Australia, Germany. While initially considered unsuccessful, these efforts did establish relationships which ripened into a full partnership many years later.

–The period up to 1929 was filled with mergers and acquisitions, expansions, new lines of business including printing machinery and paper box manufacturing. Many new products including Fanfold, the Wiz sales register, Speediset–represented imaginative innovations facilitating the mushrooming growth of North American industry.

–On January 1, 1929, Moore Corporation Limited was born to bring under a single corporate identity the previous loosely identified "Moore Group" of companies. Moore Corporation shares were listed and started trading on the Toronto and Montreal Stock Exchanges. The first public annual report was for the 1929 calendar year and a net profit of $1,072,934.23 was reported. The year was significant in another way–a Research and Development Division was established to combine the forward-looking efforts of the independently managed operations.

–Depression, war and recovery characterized the major difficulties which had to be dealt with through the 1930s and into the 1950s. The base for long-term growth throughout the fastest-growing economy in the world–the United States–was put in place through a strategically located network of manufacturing plants.

–In 1964, the long-standing, largely personal relationship with the British-based Lamson Industries organization was formalized into an investment and proved a key step in accelerating the transformation of Moore into a world-ranging business with plants, offices and other interests in 39 countries.

Shares registered in the name of the Agent representing fractional interests held for the accounts of participants under the Plan will not be voted. In the event the Corporation makes available to its shareholders rights to subscribe for additional shares or other securities, rights received by the Agent based on fractional shares held for participants under the Plan will be sold by the Agent and the net proceeds will be used to acquire additional shares with the fractional interest therein being credited to the accounts of participants.

Pledging Shares Held in the Plan

A participant who wishes to use shares held in the Plan as security may do so only after obtaining from the Agent a certificate for such shares. No certificate will be issued in respect of a fractional share.

Reports to Participants

Subsequent to each dividend payment date, every participant will receive a statement from the Agent setting forth the details of the participant's account.

All reports and notices will be mailed to participants at the addresses shown on the Corporation's records.

Suspension, Modification or Termination of the Plan

The Corporation reserves the right, at any time, to suspend, modify or terminate the Plan or remove or add classes of shares by action of the Corporation's Board of Directors. The Corporation shall notify the Agent immediately of any such actions. Each participant shall receive notice from the Agent immediately of any such actions which, in the opinion of the Board of Directors, are material.

Plan Text

Any shareholder who would like a copy of the full Plan text or who has any further questions, should write to:

Secretary
Moore Corporation Limited
1 First Canadian Place,
P.O. Box 78
Toronto, Canada M5X 1G5

TAX CONSIDERATIONS

General

The following is a brief summary of the tax considerations affecting Canadian and United States shareholders who participate in the Plan. This summary may not cover all relevant tax consequences and shareholders who are unsure of the tax consequences applicable to their particular circumstances should obtain competent tax advice.

Canadian Tax Considerations

Stock Dividend Option

Shareholders resident in Canada who elect the stock dividend option will not treat the receipt of the stock dividend as income for Canadian tax purposes. Stock dividends are not eligible for the dividend tax credit. The cost of shares acquired under the stock dividend option is nil for purposes of computing the adjusted cost base for these and any other shares held by a participant. Accordingly, the average adjusted cost base for each share held by a participant (other than shares acquired or deemed to have been acquired before 1972) will, therefore, be reduced upon the acquisition of shares under the stock dividend option. As a result, for Canadian tax purposes, upon disposition of such shares, a taxpayer's gain will be greater, or his loss will be smaller, than it would otherwise be had shares not been acquired by way of a stock dividend.

For shareholders not resident in Canada no Canadian tax will be withheld in respect of the stock dividend option providing the non-resident either alone or together with persons related to him does not own more than 10% of the shares of the Corporation.

Dividend Reinvestment Option

A shareholder resident in Canada who elects the dividend reinvestment option of the Plan will be taxed on the amount of the dividend that is reinvested, as though it were received in cash, and, in the case of an individual shareholder, will be eligible for the dividend tax credit. The cost for tax purposes of shares acquired under the dividend reinvestment option will be the amount of the dividend otherwise receivable in cash.

Under Either Option

The 5% discount from market value under either option will not be regarded as a taxable benefit.

A participant who receives a cash payment for a fraction of a share credited to his account upon termination of participation in the Plan will recognize a gain or loss, as the case may be, with respect to such fraction of a share. The amount of such gain or loss will be the difference between the amount that the participant receives for such fraction of a share and his adjusted cost base therefor.

United States Tax Considerations

Stock Dividend Option

Because shareholders will have the right to elect to receive dividends in cash or in the issuance of additional shares, dividends paid on shares held by individuals or corporations that are otherwise taxable by the United States will be subject to United States federal income tax regardless of the form in which they are paid.

The amount of income subject to tax in respect of shares received under the stock dividend option will be the fair market value of such shares on the dividend payment date.

Shares received under the stock dividend option by a participant not resident in Canada who does not own more than 10% of the shares of the Corporation are not subject to Canadian withholding tax. Accordingly, a participant resident in the United States will not be entitled to reduce his United States income tax liability by claiming a foreign tax credit in respect of such shares.

Dividend Reinvestment Option

Dividends paid to the Agent pursuant to the dividend reinvestment option on behalf of a participant resident in the United States are subject to the United States-Canada Income Tax Treaty and will, like dividends paid in cash directly to United States resident shareholders, be subject to Canadian withholding tax at the rate of 10%. Certain organizations that are exempt from federal income taxation in the United States and which would be exempt from taxation under the laws of Canada are, under the Treaty, generally entitled to receive dividends, including dividends paid to the Agent under the dividend reinvestment option, free from Canadian withholding tax. In the case of shareholders who are citizens of, but not resident in, the United States the Treaty will not apply and the Canadian withholding tax will be at the statutory rate of 20% unless reduced by another applicable treaty. A United States shareholder may, in computing his United States federal taxable income, deduct tax withheld in Canada or, subject to certain limitations, claim a credit for such tax against his United States federal income tax liability.

In the case of a participating shareholder (including a corporate shareholder) who is otherwise subject to income taxation by the United States, the fair market value on the dividend payment date of shares acquired under the dividend reinvestment option plus the amount of any applicable Canadian withholding tax described in the preceding paragraph will be included in the participant's United States federal taxable income as a dividend.

The number of shares acquired under the dividend reinvestment option, because of the impact of withholding tax, will be less than under the stock dividend option.

Under Either Option

For tax purposes the cost basis of shares credited to the account of a participant will equal the fair market value of the shares on the dividend payment date. The holding period for such shares will begin on the day following the dividend payment date.

A participant will not realize any additional taxable income upon the receipt of certificates for whole shares that were credited to his account under the Plan. A participant generally will recognize a gain or loss when shares are sold or exchanged by the participant. Also, a participant who receives, upon withdrawal from or termination of a Plan option, a cash payment for a fraction of a share credited to his account will recognize a gain or loss, as the case may be, with respect to such fraction of a share. The amount of such gain or loss will be the difference between the amount that the participant receives for such fraction of a share and the related tax cost basis.

Other Jurisdictions

Shareholders subject to taxation in jurisdictions other than Canada or the United States should obtain competent advice as to the tax consequences in such jurisdiction of their participation in the Plan.

COSTS; USE OF PROCEEDS

All costs of the Plan, including the fees and expenses of the Agent, will be paid by the Corporation.

Cash will be conserved and used for general corporate purposes.

CAPITAL STRUCTURE

The consolidated capitalization of the Corporation as at June 30, 1981 was as follows:

Long-Term Debt	(in thousands)
Moore Corporation Limited	
6% Convertible Subordinated Debentures due 1994	$ 36,065
Eurocurrency bank loan in United States dollars due 1982 bearing interest at 5/8 of 1% over the London Interbank Offering Rate existing from time to time	12,054
Other loans bearing interest at 7% and 9% due 1983 and 1987	1,243
Moore Business Forms, Inc.	
7.9% Senior Notes due 1996	19,000
Industrial Development Revenue Bonds bearing interest at 6.85% and 9.5% due 2004	7,350
6.75% Promissory Note due 1986, secured by mortgages on certain properties	1,763
Other loans bearing interest at 8% and 9.5% due 1983 and 1989	162
Capital lease commitments	784
Moore Paragon S.A.	
Bank and other loans payable in French francs bearing interest at 8.25% to 12.8% due 1982 to 1993. Loans amounting to $3,344,000 are secured.	6,521
Moore Business Systems Australia Limited	
10.3% secured Debentures payable in Australian dollars due 1983	3,444
Other secured loans payable in Australian and New Zealand dollars bearing interest at 5% to 15% due 1982 to 1992.	1,880
Moore Ges.m.b.H.	
Bank loans payable in Austrian schillings bearing interest at 5.5% to 8.2% due 1982 to 1989. Loans amounting to $3,000 are secured.	2,693
Other subsidiaries	
Secured loans	305
Unsecured loans	2,143
Capital lease commitments	554
Total long-term debt	95,961
Equity of Minority Shareholders in Subsidiary Corporations	12,932
Shareholders' Equity	
Common Shares	
Authorized: 40,000,000 shares without par value	
Issued: 28,046,390 shares	33,985
Retained Earnings	636,059
Unrealized Foreign Currency Translation Adjustments	(16,569)
Total Shareholders' Equity	653,475
Total Consolidated Capitalization	$762,368

Note: See Notes 8, 10 and 17 of Notes to Consolidated Financial Statements for additional information concerning long-term debt, stock options and lease commitments.

DESCRIPTION OF SHARES

The authorized capital of the Corporation consists of 40,000,000 shares. As at June 30, 1981 there were 28,046,390 shares issued and outstanding.

Holders of shares are entitled to dividends as and when declared by the directors of the Corporation; are entitled to one vote per share at any meeting of shareholders of the Corporation; are entitled upon liquidation to receive all assets of the Corporation remaining after satisfaction of all liabilities of the Corporation and have no pre-emptive, conversion or subscription rights. All issued shares are fully paid and non-assessable.

QUARTERLY FINANCIAL INFORMATION

Expressed in thousands of dollars except per share data (unaudited)

	1981		1980				1979			
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter[1]	First Quarter	Fourth Quarter	Third Quarter[2]	Second Quarter	First Quarter
Sales	$457,332	$456,737	$476,206	$440,685	$444,923	$442,967	$417,110	$381,153	$378,091	$364,694
Cost of sales	305,065	300,054	310,008	293,305	292,199	290,823	268,695	250,408	247,092	239,065
Income from operations	43,838	51,136	63,017	44,618	49,898	53,161	53,565	44,398	48,244	45,934
Net earnings	26,146	30,166	34,171	23,548	26,239	27,946	27,596	25,570	25,646	24,010
Per share	93¢	$1.08	$1.22	84¢	93¢	$1.00	99¢	91¢	92¢	85¢
United States generally accepted accounting principles										
Net earnings	17,212	24,360	33,313	23,930	29,134	25,872	28,044	26,546	27,335	24,085
Per share	61¢	86¢	$1.17	84¢	$1.02	91¢	99¢	93¢	96¢	84¢

1. The sale of the business forms printing machinery plant in the United States less provision for the cost of closing certain plants in the United Kingdom and the settlement of private damage suits against the Corporation's packaging subsidiary arising out of previous antitrust litigation resulted in a net gain of $0.8 million in the quarter.
2. Earnings include a $1.5 million benefit representing the release of previously recorded deferred taxes arising from United Kingdom stock relief claims.

SELECTED FINANCIAL DATA

Expressed in thousands of dollars except per dollar of sales and per share data

Income Statistics	1980	1979	1978	1977	1976
Sales	$1,804,781	$1,541,048	$1,323,362	$1,183,890	$1,053,427
Income from operations	210,694	192,141	163,439	158,894	142,427
Per dollar of sales	11.7¢	12.5¢	12.4¢	13.4¢	13.5¢
Income taxes	108,001	98,292	87,576	86,862	77,688
Percent of pretax earnings	48.7%	48.6%	51.1%	52.6%	52.2%
Earnings before extraordinary items	111,904	102,822	82,303	75,469	66,271
Per dollar of sales	6.2¢	6.7¢	6.2¢	6.4¢	6.3¢
Per share	$3.99	$3.67	$2.94	$2.69	$2.37
Net earnings	111,904	102,822	80,655	74,436	65,059
Per dollar of sales	6.2¢	6.7¢	6.1¢	6.3¢	6.2¢
Per share	$3.99	$3.67	$2.88	$2.65	$2.33
Dividends	45,961	40,352	36,987	33,624	33,624
Per share	$1.64	$1.44	$1.32	$1.20	$1.20
Earnings retained in business	65,943	62,470	43,668	40,812	31,435
United States generally accepted accounting principles					
Net earnings	112,249	106,010	86,189	70,179	60,421
Per share	$3.94	$3.72	$2.99	$2.47	$2.13

Balance Sheet and Other Statistics	1980	1979	1978	1977	1976
Current assets	$ 683,515	$ 625,954	$ 521,005	$ 501,685	$ 452,975
Current liabilities	228,195	218,790	178,978	196,036	137,232
Working capital	455,320	407,164	342,027	305,649	315,743
Ratio of current assets to current liabilities	3.0:1	2.9:1	2.9:1	2.6:1	3.3:1
Fixed assets (net)	318,082	309,084	298,040	289,976	285,312
Long-term debt	106,283	111,291	96,614	90,780	90,417
Ratio to equity	0.2:1	0.2:1	0.2:1	0.2:1	0.2:1
Shareholders' equity	637,104	572,232	508,378	464,074	424,139
Per share	$22.73	$20.42	$18.14	$16.56	$15.14
Total assets	1,036,781	968,099	849,398	819,877	764,262
Number of shareholders of record at year end	18,999	18,547	19,993	20,059	20,036
Number of employees	27,813	28,317	26,748	27,045	25,964

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations 1980/1979

Sales in 1980 of $1,804.8 million increased $263.7 million or 17.1% over 1979 sales of $1,541.0 million.

With the opportunity for real growth in 1980 being affected by unfavourable economic conditions, particularly in the United States and the United Kingdom, and by a continuing conversion of multiple part to single part forms for use over non impact printers, the larger part of the sales increase was accounted for by inflation.

North American operations accounted for 71% of total sales compared with 73% in 1979. Business forms and related products was the main industry segment comprising 90% of sales in both years.

The operating margin in 1980 of 11.7% compares with 12.5% in 1979. Operating results in 1980 include start-up costs of the new Moore Business Systems Division of $13.2 million compared with $7.8 million in 1979. Also included are non recurring costs (net) totalling $2.7 million comprising mainly redundancy and moving costs in the United Kingdom arising out of a program of rationalization involving the shutdown of four manufacturing plants less a gain on the sale of the Corporation's printing machinery plant in the United States. In addition, steadily rising costs and an increase in competitive activity particularly in the United States and the United Kingdom contributed to the lower 1980 operating margin and the higher cost of sales and selling, general and administrative expenses.

The increase in interest expense was the result of higher interest rates and an increase in short-term borrowing during the year.

Net earnings in 1980 totalled $111.9 million or $3.99 per share, an increase of $9.1 million or 8.8% and 32¢ per share over net earnings of $102.8 million or $3.67 per share in 1979.

1979/1978

In 1979, sales were $1,541.0 million compared with $1,323.4 million in 1978, an increase of $217.6 million or 16.4%. Most of the increase was price. Real growth was curtailed by a paper shortage in the United States in the early part of the year, and the conversion of multiple part to single part continuous forms for use over non impact printers with a consequent reduction in value added.

The North American market accounted for 73% of total sales in both 1979 and 1978, with business forms and related products being the major industry segment representing 90% of sales in each year.

Operating margin improved to 12.5% in 1979 from 12.4% in 1978, despite steadily increasing operating costs and a decline in earnings of the Corporation's packaging subsidiaries due to a prolonged strike in Canada and depressed market conditions in the United States. In addition, a $7.8 million start-up cost was absorbed in 1979 arising from the operations of the new Moore Business Systems Division formed in the latter part of 1978.

Interest expense in 1979 increased $1.9 million, due mainly to the additional long-term debt incurred in 1979 to finance new buildings and manufacturing equipment.

The major factor contributing to the increase in investment and other income was the earnings on short-term investments at generally higher interest rates throughout the year compared with 1978.

The provision for income taxes in 1979 was 48.6% of earnings before tax, compared with 51.1% in 1978. The lower 1979 overall rate of tax reflects a 2% decrease in the corporate tax rate in the United States and a reduction of $1.4 million in the United Kingdom taxes on income arising from a 1979 change in United Kingdom tax legislation which allowed the release of previously deferred taxes relating to prior years' stock relief claims.

Net earnings in 1979 were $3.67 per share compared with $2.88 per share in the previous year, an increase of 27.4%.

Liquidity

As indicated in the Consolidated Statement of Changes in Financial Position, working capital generated from operations has been more than sufficient to provide for capital expenditures, dividends, new investments and other requirements. The working capital ratio increased to 3.0:1 in 1980 from 2.9:1 in 1979 and 1978.

In keeping with the Corporation's policy of having the operating subsidiaries finance their local currency needs for cash, additional long and short-term debt is incurred from time to time by some of the subsidiaries. Consequently, long and short-term debt increased in 1979. In 1980 short-term debt increased $2.1 million, offset by a $5.0 million reduction in long-term debt.

During 1980 additional emphasis was placed on programs to encourage efficient management of working capital. These programs and the sale of the Corporation's printing machinery plant in the United States were significant factors contributing to the $28.8 million increase in cash and short-term securities.

Accounts receivable in 1979 increased $53.5 million or 19.9% reflecting, in addition to the growth in sales and the impact of inflation, a slowdown in customers' payments due to the impact of significantly higher interest rates. In 1980 with the added emphasis on efficient management of working capital, accounts receivable increased $39.1 million or 12.1% compared with a sales increase of 17.1%.

Paper shortages in 1978 in the United States, arising from labour problems in the west coast paper mills, held inventories at the end of that year below normal levels. The substantial $59.1 million increase in inventories in 1979 reflects this abnormal situation plus inventory required to support the growth of the carbonless forms products and the managed business forms inventory service being offered to customers. At the end of 1980 inventories were $11.9 million lower than at the beginning of the year reflecting the sale of the Corporation's printing machinery plant operation in the United States and an overall reduction in raw material inventories.

Internally generated funds, plus outside financing by certain of the international subsidiaries, should be adequate to cover future normal cash needs of the Corporation. The facilities available to those subsidiaries that continue to require external short-term or long-term funds to finance operations or capital expenditures should be adequate to meet the cash needs of these subsidiaries.

At December 31, 1980 outstanding unused lines of credit for short-term financing totalled $52.0 million.

Capital Resources

The strong financial condition reflected in the consolidated balance sheet places the Corporation in a good position to continue to take advantage of opportunities for growth and expansion of its products, systems and services.

The Corporation's capital expenditure program and components of capital employed during the past three years are presented in the following tables (in millions):

Capital Expenditures	Land and Buildings			Machinery and Equipment		
	1980	1979	1978	1980	1979	1978
Canada	$ 1.3	$ 2.5	$ .1	$ 2.7	$ 1.6	$ 1.5
United States	2.9	4.2	7.6	24.8	17.4	15.0
Europe	1.2	3.3	4.8	8.6	10.4	8.0
Other Countries	5.6	2.8	3.5	.9	5.4	4.3
	$ 11.0	$ 12.8	$ 16.0	$ 37.0	$ 34.8	$ 28.8

Capital Employed	1980	%	1979	%	1978	%
Common Shares	$ 33.4		$ 33.2		$ 33.2	
Retained Earnings	604.9		539.0		476.6	
Unrealized Foreign Currency Translation Adjustments	(1.2)		0.0		(1.4)	
Shareholders' equity	637.1	78.8	572.2	76.4	508.4	75.9
Long-term debt	106.3	13.1	111.3	14.8	96.6	14.4
Deferred taxes and liabilities	52.2	6.5	55.6	7.4	55.9	8.3
Equity of minority shareholders in subsidiary corporations	13.0	1.6	10.2	1.4	9.5	1.4
	$808.6	100.0	$749.3	100.0	$670.4	100.0

Impact of Inflation and Changing Prices

Attempts to restate historical cost financial statements to measure the effect of inflation and changing prices employ indices and other techniques such as appraisals. The result is an approximation of the impact of inflation on operations.

There are many ways by which a business organization can cope with inflation and changing prices. Some are inherent in particular industries, whereas others require specific application.

The major inventory of a business forms manufacturer is paper, and paper inventories are inherently turned over several times within each year. In the case of the Corporation, paper inventories are turned over approximately five to six times each year. This turnover along with over 43% of total consolidated inventories being costed on the LIFO basis results on average in a very short time lag between the purchase of paper and recognition of current paper costs in operations.

Another area of concern is the need to replace manufacturing capacity at current prices. Within the Corporation equipment is constantly being added, upgraded or replaced. Depreciation rates are reviewed with recognition being given to obsolescence factors in determining useful lives. The consistent relationship between depreciation expense and sales over the years while the cost of equipment has continued to rise is an indication of the Corporation's ability to increase selling prices and cope with inflation.

The foregoing statements are supported by the Corporation's strong financial condition.

BUSINESS OF MOORE

a) General Development of Business

During 1980 the business forms and related products operations reflected continued emphasis on the improvement of marketing and production programs, along with the ongoing development of products and services, to meet the changing needs of business and industry. There were no acquisitions in 1980. In keeping with a program in the United Kingdom to reorganize and improve the efficiency of the business forms production facilities in this region, two plants were closed. In the United States, the business forms subsidiary sold its printing machinery plant in Dover, New Hampshire for $17.5 million. The competitive advantage which Moore has in its business forms production equipment now lies largely in design and engineering and, in the present environment, it is more efficient and economical to rely on outside vendors to fabricate equipment to Moore specifications.

b) Financial Information About Industry Segments

During 1980, the Corporation continued to operate predominantly in one industry, the manufacture and sale of business forms and related products. Segmentation of financial information by industry is therefore not applicable.

c) Narrative Description of Business

Business Forms and Related Products

The sale of business forms and related products accounted for 90% of the Corporation's revenue in 1980 and in each of the two previous years. Business forms are manufactured in a wide range of constructions, from simple handwritten types to highly complex forms for high speed electronic data writing equipment such as computers, optical scanning machines and similar advanced data reading and writing equipment. Through the use of interleaved carbon paper and Moore Carbonless Paper in multiple part business forms, the principle "one writing can serve many purposes" is incorporated in the systems design of these forms. In recent years and continuing through 1980, an increase in the sale and production of multiple part carbonless business forms has occurred. Coating facilities for the production of the Moore Carbonless Paper utilized in the production of these products are now operating in the United States, Canada, France, Australia and Japan. The Managed Business Forms service, generally for larger users of business forms, was further developed during the year. This service involves the management for customers of their increasingly complex and important business forms requirements. Moore also manufactures a complete line of forms handling equipment designed to facilitate the efficient use of business forms by its customers. These related business form products include portable register machines, autographic registers, formaliner tractors, detachers, imprinter detachers and decollators.

Business forms are utilized in a broad market ranging from large businesses which require sophisticated data processing systems to small retail stores with manual systems for record maintenance. Accordingly, business forms are designed to serve the needs of a large and diversified customer base and are manufactured both in stock and custom format. Sales of business forms are not subject to seasonal fluctuation and no single customer accounts for a significant portion of total sales.

Business forms and related products manufactured by Moore are sold mainly through a direct sales force that has been trained to analyze and understand customer needs and to provide appropriate products and services to meet those needs.

Paper is the most significant item of raw material and relationships have been established with a number of paper manufacturers to ensure a continuing supply of the basic raw material. A good supply of paper is generally available, but from time to time certain grades or sizes become difficult to obtain when demand temporarily exceeds capacity. The paper industry has had relatively few periods when normal production has been disrupted by labour problems such as occurred in the United States in 1978 and the early part of 1979.

Moore holds various patents and trademarks involving products and manufacturing processes that have been developed through its research and development activities. With respect to business forms and related products, the existence of such patents and trademarks does not generally provide any significant marketing advantage. The general state of the art and the ability to produce competitive products that do not infringe a particular business forms patent currently minimize the normal competitive advantage provided by a patented product. However, in the case of specialized production equipment, the ability of Moore to control its design and engineering developments in this area has played an important role in enabling Moore to improve its business forms manufacturing efficiency and capability.

At December 31, 1980, the backlog of firm customer orders was approximately $204,000,000, being about one and a half months' sales, compared with approximately $215,000,000 at December 31, 1979.

The two important elements of working capital associated with the manufacture and sale of business forms and related products are accounts receivable and inventory. Moore generally sells business forms on a "net 30 days" basis. In the last two years, primarily during periods of high interest rates, customers extended their payment patterns and accounts receivable increased moderately. Moore's raw material inventory of paper is generally maintained at an operating level equal to approximately two months' usage. Because of the need to provide customers with prompt service on their business forms requirements and the emphasis being placed on the Managed Business Forms selling concept, which includes customer inventory management by Moore, the finished goods inventory has increased to about 41% of total inventory at December 31, 1980 (34% at December 31, 1979).

It is estimated there are about 800 companies in the United States producing primarily business forms and, based upon Bureau of Census estimates, the value of shipments for the United States manifold business forms industry in 1979 was $3.6 billion. The industry is very competitive. Competition arises from a few (15 to 20) large national producers of business forms, from forms brokers and from hundreds of local or regional producers. The principal methods of competition involve sales coverage, price, quality, service and systems support. Based upon the industry statistics developed by the United States Bureau of Census, it is estimated that the market share of the Corporation's subsidiary in the United States is approximately 25% and that it is the largest producer of business forms in that market.

The competitive conditions in Canada are very similar to those in the United States and, based upon Government of Canada Census of Manufacturers data, it is estimated that Moore's share of Canadian business forms market is approximately 33%.

Moore generally has a much smaller share of the international markets for business forms than its share of the North American markets. Each international subsidiary usually services the market within the country in which it is located providing a full range of business forms products. The degree and methods of competition in each international market vary, but generally provide an opportunity for each Moore subsidiary to increase its share of these expanding markets. A growing demand for quality business forms to meet the developing needs of business is evident in the international markets.

Other Products and Services

Other products and services represent less than 10% of Moore's total sales and consist of computer systems and services, direct marketing products, custom packaging and machinery products.

The computer systems and services operations of the Corporation comprise the Moore Business Systems and International Graphics divisions of the United States subsidiary.

Moore Business Systems markets complete turnkey recordkeeping systems, including computer hardware, software and service, for small and medium-sized business concerns having annual sales of $20 million or less and approximately 150 employees or less. The market for those systems has been divided into several segments such as motor freight, client accounting, apparel trades, wholesale distributors and property management. Each market segment is analyzed for its specific business information problems so that a specially designed total system can be developed to meet the needs of the

smaller businesses in that segment. A specialized direct sales force markets the systems and is supported by training and service specialists. The hardware utilized in these turnkey systems is being purchased on an "original equipment manufacturer" basis from outside suppliers with the balance of the systems, including software and service, being supplied by Moore.

The rate of sales of the MBS 20/50 systems from the 17 sales offices located in major cities throughout the United States increased throughout 1980 and, at the year end, about 240 systems had been sold. All costs associated with the continued development of the operations of Moore Business Systems are being absorbed against earnings as incurred. Although some delay was encountered during 1980 in developing product offerings for the market segments, this new business venture continues to move ahead on a very positive basis in what is recognized to be a high growth, competitive market.

The International Graphics division markets computer graphics products which involve the combination of data base information, computer typesetting and printing to produce rapidly updated reference material. Product applications are primarily in the real estate multiple listing services, directories and price lists. Manufacturing and distribution is conducted from four plants in the United States and the products are sold by a direct sales organization. The market for computer graphics is expanding and competition is keen. Progress within this industry depends largely on the development and application of technology to provide unique systems and fast service for customers at competitive prices. Although currently representing a very small portion of Moore's total sales, this relatively new service has excellent growth prospects, provides an opportunity to combine printing and computer technology and broadens Moore services to business.

The Response Graphics division of the Corporation's subsidiary, Moore Business Forms, Inc., is responsible for the manufacture and sale of direct marketing products in the United States. These products include multi-colour direct mail advertising materials and other product applications to service markets such as fund raising activities and lotteries. Recent manufacturing developments have been combined to provide cost efficient and quality products. One of these is a Moore ink jet printing development which allows variable information stored on computer tapes to be printed on forms as fixed or standard information is also being printed. Continuing Moore development of ink jet printing technology is expected to produce opportunities for new product applications in both the direct marketing and business forms industries. The sales volume of this division continues to reflect good growth, albeit a very small portion of Moore's total sales.

Three subsidiaries located in the United States, Canada and the United Kingdom produce and sell custom packaging. In Canada and the United States, the products consist of high quality and specially designed set-up boxes, folding cartons and labels. In the United Kingdom, the products consist mainly of bank packaging and various types of fashion carriers and bags. Marketing is conducted by a direct sales force with quality, price and service being key elements in this very competitive industry.

In 1980, four international subsidiaries, three in Australia and one in the United Kingdom, produced machinery products such as marking machines, tube systems and material handling equipment. During the latter part of 1980, the operations of the United Kingdom subsidiary, including its two manufacturing plants, were closed and the assets sold.

Research and Development

An ongoing comprehensive research and development program has contributed to Moore's position in the business forms industry. Many developments, including specially designed manufacturing equipment, new products and systems and new applications of existing products have enabled Moore to respond with appropriate products and services to meet the changing needs of business. In 1980, $14,623,000 was expended on company-sponsored research and development activities, compared with $14,466,000 and $10,120,000 in 1979 and 1978 respectively.

Employees

At December 31, 1980, there were 27,813 persons employed by Moore.

d) Financial Information About Foreign and Domestic Operations and Export Sales

For information about foreign and domestic operations and export sales, reference is made to Note 18 of the Moore Corporation Limited 1980 Consolidated Financial Statements included herein.

PROPERTIES

The operations of the subsidiaries of Moore are carried on in more than 10,000,000 square feet of manufacturing, administrative, warehouse and research space.

Business Forms and Related Products

At December 31, 1980, there were 98 plants manufacturing business forms and related products. In the United States, 35 plants having approximately 4,875,000 square feet of space are owned and 5 plants (approximately 225,000 square feet) are leased with leases expiring from 1982 to 1993. The 9 plants in Canada have a total area approximating 625,000 square feet and one of these (approximately 20,000 square feet) is leased with the lease expiring in 1984. There are 49 plants outside Canada and the United States with approximately 2,700,000 square feet of space, only 9 of which (345,000 square feet) are leased with leases expiring up to the year 1997.

Other Products

At December 31, 1980, there were 14 plants manufacturing other products. Of this total, 7 are in the United States (approximately 760,000 square feet), 3 are in Canada (approximately 350,000 square feet), and 4 are in other countries (approximately 130,000 square feet). Of the 14 plants, only 3 having 550,000 square feet of space, are leased.

Moore also has administrative space in various locations with approximately 700,000 square feet of space. Of this total 450,000 square feet are in the United States, 70,000 in Canada and the remainder in other countries. Only 150,000 square feet of the total space is leased. In addition, Moore maintains warehouse facilities some of which are owned and some are leased.

Generally, Moore's facilities have been well maintained and, with few exceptions in the overseas subsidiaries, are believed to conform to modern industrial standards in their respective locations.

LEGAL PROCEEDINGS

The Corporation knows of no material pending legal proceedings to which Moore is a party or to which Moore's property is subject.

In 1979, the Court approved settlements in respect of an antitrust class action in the United States involving twenty-three folding carton manufacturers including F.N. Burt Company, Inc., a wholly-owned subsidiary of the Corporation. The Court entered Final Judgement dismissing with prejudice all of the actions brought by the members of the certified class. The settlement by F.N. Burt Company, Inc. was fully provided for in the accounts of the Corporation in 1978.

Seventeen separate suits on behalf of plaintiffs that excluded themselves from the class action were pending at the end of 1979. Settlement negotiations on behalf of F. N. Burt Company, Inc. proceeded during 1980 with each of these plaintiffs and, by December 31, 1980, settlements in the aggregate amount of $896,000 had been paid by F. N. Burt Company, Inc. to sixteen plaintiffs. The Court has approved twelve of these settlements and has dismissed with prejudice and without costs the related plaintiffs' suits against F. N. Burt Company, Inc. It is expected that the other four small settlements will be similarly approved and dismissed with prejudice and without costs. The one remaining suit against F. N. Burt Company, Inc. and other folding carton defendants is pending. Management anticipates the involvement by F. N. Burt Company, Inc. in this remaining case can be settled for approximately $20,000. Following this final settlement, F. N. Burt Company, Inc. will be dismissed from this folding carton litigation.

MANAGEMENT OF MOORE

DIRECTORS

Name	Age	Director Since	Principal Occupation or Employment During Past Five Years and Certain Directorships[3]
David W. Barr[2] Toronto, Ontario	71	January, 1968	Chairman of the Board, Moore Corporation Limited. Mr. Barr is a director of Northern Telecom Limited.
Edward H. Crawford[1,2] Toronto, Ontario	56	April, 1975	President, The Canada Life Assurance Company (Life insurance). Mr. Crawford is a director of Gulf Canada Limited, Interprovincial Pipe Lines Limited and Lakehead Pipe Line Inc.
James D. Farley[1] New York, N.Y.	55	January, 1977	Executive Vice President, Citibank, N.A. (Banking). Mr. Farley is a director of Chesebrough-Pond's Inc. and Private Export Funding Corporation.
J. Douglas Gibson[1,2] Toronto, Ontario	72	June, 1971	Chairman of the Board, Canadian Reinsurance Company and Canadian Reassurance Company (Insurance); prior to April, 1980, Mr. Gibson was Chairman of the Board, The Consumers' Gas Company (Natural Gas distribution). Mr. Gibson is a director of Bell Canada and Northern Telecom Limited.
L. Edward Grubb[1,2] Durham, N.H.	69	March, 1973	Corporate Director; prior to April, 1977, Mr. Grubb was Chairman of the Board and Chief Officer, Inco Limited (Mining). Mr. Grubb is a director of Ashland Oil Inc.
Richard W. Hamilton Toronto, Ontario	60	April, 1974	President and Chief Executive Officer, Moore Corporation Limited.
Edwin H. Heeney[1] Toronto, Ontario	71	March, 1972	Corporate Director, prior to December, 1977, Mr. Heeney was Chairman of the Board, National Trust Company, Limited (Trust Company).
W. Harold Rea[1] Toronto, Ontario	74	September, 1963	Vice President, The Mutual Life Assurance Company of Canada (Life insurance); prior to May, 1977, Mr. Rea was Chairman of the Board, Great Canadian Oil Sands Limited (Oil extraction).
Cedric E. Ritchie[1] Toronto, Ontario	54	January, 1978	Chairman of the Board and Chief Executive Officer, The Bank of Nova Scotia (Banking); prior to December, 1979, Mr. Ritchie was Chairman of the Board, President and Chief Executive Officer, The Bank of Nova Scotia. Mr. Ritchie is a director of Beatrice Foods Company.

Notes

1. Member of the audit committee.
2. Member of the management resource committee.
3. Directorships are those of companies registered under Section 12 or subject to Section 15(d) of the United States Securities and Exchange Act of 1934.

EXECUTIVE OFFICERS

The executive officers of the Corporation are appointed annually by the Corporation's Board of Directors. Their names, ages, position or office with the Corporation during the previous five years are as follows:

Name	Age	Executive Offices
David W. Barr	71	Chairman of the Board
Richard W. Hamilton	60	President and Chief Executive Officer
Judson W. Sinclair	61	Senior Vice President — Finance
Wilbur M. Nichols	58	Senior Vice President — International; between January 1977 and December 1979, Mr. Nichols was Managing Director and Chief Operating Officer — Moore International Division; prior to December 1976, Mr. Nichols was Vice President and General Manager — Canadian Forms Division.
Robert H. Downie	57	Senior Vice President — Development; prior to July 1980, Mr. Downie was Vice President and Director of Research, Moore Business Forms, Inc.
Donald S. Dunlop	57	Vice President and Treasurer; prior to April 1978, Mr. Dunlop was Treasurer.
Florence E. Dougherty	55	Secretary; between April 1978 and February 1979, Mrs. Dougherty was Assistant Secretary; prior to April 1978, Mrs. Dougherty was an executive secretary.
George G. Flint	51	Comptroller; prior to September 1976, Mr. Flint was Assistant Comptroller — Southern Division, Moore Business Forms, Inc.
Lee C. Rumph*	60	Executive Vice President, Moore Business Forms, Inc. Between January 1978 and December 1979, Mr. Rumph was Vice President and Director of Manufacturing — Moore Business Forms, Inc.; prior to January 1978, Mr. Rumph was Vice President and General Manager — Pacific Division, Moore Business Forms, Inc.
Maurice O. Beverley*	66	Senior Vice President; between May 1979 and December 1980, Mr. Beverley was Vice President and General Manager — Canadian Forms Division. Vice President, Moore Business Forms, Inc.; prior to January 1978, Mr. Beverley was Vice President and General Manager — Central Division, Moore Business Forms, Inc.

*Appointed to their positions with Moore Business Forms, Inc. by the board of directors of that company.

There is no family relationship between any director or executive officer of the Corporation.

MANAGEMENT REMUNERATION AND TRANSACTIONS

Current Remuneration

The following table shows the total cash and cash equivalent remuneration paid or accrued during 1980 by the Corporation and its subsidiaries to each of the five most highly compensated directors or executive or senior officers of the Corporation in all their capacities and to all officers receiving remuneration in excess of $50,000 (Cdn.) and all directors and all officers as a group respectively in their capacities as such.

Individual or Group	Position	Cash and Cash Equivalent Forms of Remuneration[1]
David W. Barr	Director, Chairman of the Board	$ 156,806[2]
Richard W. Hamilton	Director, President and Chief Executive Officer	366,713[2]
Judson W. Sinclair	Senior Vice President — Finance	197,658
Wilbur M. Nichols	Senior Vice President — International	149,779
Lee C. Rumph	Executive Vice President, Moore Business Forms, Inc.	181,160
Total		$1,052,116
All officers (twelve) receiving remuneration in excess of $50,000 (Cdn.) as a group		$1,662,387
All directors (nine) as a group		$ 86,475
All officers (thirteen) as a group		$1,700,554
All directors and officers (twenty) as a group		$1,787,029

1. Excludes the estimated aggregate cost to the Corporation and its subsidiaries in 1980 of all benefits proposed to be paid under the Moore retirement plans upon retirement at normal retirement age, which cost was $51,433 in respect of the individuals named above and $92,845 in respect of the officers receiving remuneration in excess of $50,000 (Cdn.).

2. Includes directors' fees of $8,975 for each of Mr. Barr and Mr. Hamilton.

Proposed Remuneration

Moore Retirement Plans

The Moore retirement plans are classified as defined benefit pension plans and provide that participants thereunder will receive an annual pension benefit commencing at retirement based on their average final compensation and credited service. The annual pension benefit is determined by taking .667% of the average final compensation up to an average social security wage base and 1.333% of the average final compensation in excess thereof, multiplied by years and months of credited service to a maximum of 35 years. Average final compensation is the average of the participant's five highest consecutive calendar years' earnings within the ten years preceding the earlier of age 65 or retirement. The remuneration covered by the plans includes incentive compensation.

The following table shows the estimated annual pension benefits payable under these plans for participants, including officers, in various remuneration classifications upon retirement at age 65 after the indicated periods of credited services:

Average Final Compensation	Estimated Annual Basic Pension Benefits for Years of Credited Service Shown			
	10 years	20 years	30 years	35 years
$ 75,000	$ 9,321	$18,642	$ 27,963	$ 32,624
100,000	12,653	25,307	37,961	44,288
125,000	15,986	31,972	47,958	55,952
150,000	19,318	38,637	57,956	67,615
175,000	22,651	45,302	67,953	79,279
200,000	25,983	51,967	77,951	90,943
225,000	29,316	58,632	87,948	102,607
250,000	32,648	65,297	97,946	114,270
275,000	35,981	71,962	107,943	125,934
300,000	39,313	78,627	117,941	137,598

The years of credited service of individual officers named above are as follows: David W. Barr – 35 years; Richard W. Hamilton – 35 years; Judson W. Sinclair – 34.3 years; Wilbur M. Nichols – 35 years; Lee C. Rumph – 33.1 years. The average final compensation through 1980, is as follows: David W. Barr – $169,210; Richard W. Hamilton – $240,169; Judson W. Sinclair – $134,778; Wilbur M. Nichols – $96,614; Lee C. Rumph – $122,636.

Incentive Compensation

A Short-Term Incentive Program has been established for certain key employees to encourage attainment of the goals of the Corporation. Separate plans, all based on the principle of an incentive reward for performance in excess of a basic standard, exist for the Corporation and for certain operating units. Generally each plan identifies the eligible positions, defines a three-year weighted profit increase computation and provides the method of calculating the incentive compensation for the eligible employees. Generally, each eligible employee receives incentive compensation at rates ranging from .1% to .5% of basic annual salary for each .1% that the three-year weighted increase in profits of the operating unit in which the employee serves exceeds the predetermined threshold average rate of profit increase for the unit.

Remuneration of Directors

Under the by-laws of the Corporation, each director is entitled to receive $7,500 per annum and $400 for each meeting of the directors or a committee of which he is a member attended by him. Each director is also reimbursed for his expenses in attending meetings.

Stock Options

On September 8, 1981 the officers of the Corporation held options to purchase common shares pursuant to the provision of the 1976 Executive Stock Option Plan as follows:

Individual or Group	Shares Under Option	Weighted Average Option Price Per Share ($ Cdn.)	Aggregate Unrealized Appreciation ($ Cdn.)
Richard W. Hamilton	5,000	$ 34.94	$19,050
Judson W. Sinclair	3,000	34.94	11,430
Wilbur M. Nichols	2,000	34.94	7,620
Lee C. Rumph	2,000	34.94	7,620
All officers as a group	18,500	35.59	58,460

Options are not granted under the Plan to directors as such and no options have been granted to any officer since the beginning of 1980. One officer exercised an option for 1,500 shares since the beginning of 1980.

Indebtedness of Management

The following table outlines the indebtedness of officers to the Corporation or any subsidiary which has exceeded $25,000 (Cdn.) since the beginning of 1980:

Name	Maximum Indebtedness ($ U.S.)	Amount Outstanding On September 8, 1981 ($ U.S.)
Maurice O. Beverley	$ 47,135	$ 30,814
Thomas P. Courtney	29,138	25,317
Robert H. Downie	116,592	116,592
George G. Flint	53,884	37,683
Richard W. Hamilton	64,275	20,820
William L. Richards	49,024	45,308
Robert W. Russell	71,703	57,130

Each of the above loans was granted for the purpose of assisting the officer in the purchase of a house following a transfer requested by the Corporation. Each of the loans is interest free, is due no later than 1986 and, except for Mr. Hamilton's loan which is secured by a mortgage on his house, is not secured. There were no loans to directors as such.

Transactions with Management

Reid Dominion Packaging Limited, a wholly-owned Canadian subsidiary of the Corporation, paid interest at the prime rates in effect in Canada in the amounts of $389,561 (Cdn.) during 1980 and $34,912 (Cdn.) up to September 1, 1981 to The Bank of Nova Scotia on short-term bank indebtedness. Mr. Cedric E. Ritchie, a director of the Corporation, is Chairman of the Board and Chief Executive Officer of The Bank of Nova Scotia.

Citibank, N.A. of which Mr. James D. Farley is Executive Vice-President, is the master trustee of the Moore retirement plans for United States employees and a manager of the investments of such plans and received $173,000 for services in such capacities in 1980. Up to September 1, 1981 Citibank received $115,000 for such services. The Canada Life Assurance Company, of which Mr. Edward H. Crawford is President and Mr. David W. Barr is Chairman of the Board, is the sole administrator and manager of the segregated pension fund of one of the Moore retirement plans for Canadian employees and received $37,000 (Cdn.) for services rendered in connection with such plan in 1980. Up to September 1, 1981 Canada Life received $27,000 (Cdn.) for such services.

In the ordinary course of business, The Bank of Nova Scotia, Citibank, N.A. and The Canada Life Assurance Company have other transactions with the Corporation or one of its subsidiaries, such as the purchase of business forms, which are negotiated on an arms-length basis and are not felt to be material to any of the parties.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Beneficial Owners

Royal Trust Corporation of Canada, Calgary, Canada and its affiliated corporation, The Royal Trust Company, Montreal, Canada (collectively "Royal Trust") beneficially owned, for purposes of applicable securities legislation, 1,805,287 common shares on September 8, 1981. Royal Trust advise that they had sole or shared investment or voting power over 1,763,287 of such common shares which were held for various clients of Royal Trust, and that the remaining 42,000 common shares were held for their own account. Royal Trust advise that they also had sole or shared investment or voting power over 6% convertible subordinated debentures of the Corporation ("debentures") convertible into 23,341 common shares, which were held for various clients of Royal Trust on such date. Accordingly, 6.5% of the total number of common shares outstanding were beneficially owned by Royal Trust on such date. No other shareholder is known to the Corporation to own beneficially more than 5% of its common shares.

Security Ownership of Management

The directors of the Corporation on September 8, 1981 beneficially owned the number of common shares set opposite their names below:

Name	Number of shares
David W. Barr	27,500 (1)
Edward H. Crawford	500 (2)
James D. Farley	100
J. Douglas Gibson	2,100 (3)
L. Edward Grubb	1,000
Richard W. Hamilton	9,700 (4)
Edwin H. Heeney	200
W. Harold Rea	3,700 (5)
Cedric E. Ritchie	100 (6)

Notes

(1) Excludes 240 common shares owned by Mr. Barr's wife, the beneficial ownership of which shares he disclaims.

(2) Excludes 40 common shares owned by Mr. Crawford's wife, the beneficial ownership of which shares he disclaims.

(3) Excludes 250 common shares owned by Mr. Gibson's wife and 260 common shares held by her as trustee for two minor children, the beneficial ownership of all such shares he disclaims.

(4) Includes 5,000 common shares covered by a stock option.

(5) Includes 1,700 common shares into which debentures held by Mr. Rea may be converted. Excludes 85 common shares into which debentures held by Mr. Rea's wife may be converted, the beneficial ownership of which he disclaims.

(6) Excludes 25 common shares owned by Mr. Ritchie's wife, the beneficial ownership of which shares he disclaims.

Certain of the directors may be co-trustees of pension plans which may from time to time own common shares and debentures.

At September 8, 1981, all officers and directors of the Corporation as a group, beneficially owned less than one percent of the outstanding common shares.

MOORE CORPORATION LIMITED

INDEX TO FINANCIAL STATEMENTS

MOORE CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET

As at December 31
Expressed in thousands of dollars

	1980	1979
ASSETS		
Current Assets		
Cash	$ 11,757	$ 13,521
Short-term securities, at cost which is approximate market value	66,722	36,139
Accounts receivable, less allowance for doubtful accounts $7,846 ($7,054 in 1979)	361,468	322,396
Inventories (Note 3)	235,616	247,506
Prepaid expenses	7,952	6,392
Total Current Assets	683,515	625,954
Fixed Assets		
Land	21,064	19,098
Buildings	142,695	137,381
Machinery and equipment	422,414	398,691
	586,173	555,170
Less: Accumulated depreciation	268,091	246,086
	318,082	309,084
Investment in Associated Corporations (Note 4)	16,411	14,608
Other Assets (Note 5)	18,773	18,453
	$1,036,781	$ 968,099
LIABILITIES		
Current Liabilities		
Bank Loans (Note 6)	$ 27,952	$ 25,855
Accounts payable and accruals (Note 7)	157,060	153,495
Dividends payable	11,490	10,088
Accrued income taxes	31,693	29,352
Total Current Liabilities	228,195	218,790
Long-Term Debt (Note 8)	106,283	111,291
Deferred Income Taxes and Liabilities (Note 9)	52,177	55,598
Equity of Minority Shareholders in Subsidiary Corporations	13,022	10,188
	399,677	395,867
SHAREHOLDERS' EQUITY		
Common Shares (Note 10)		
Authorized: 40,000,000 shares without par value		
Issued: 28,025,305 shares (28,023,146 shares in 1979)	33,364	33,253
Retained Earnings	604,979	539,036
Unrealized Foreign Currency Translation Adjustments (Notes 2 and 11)	(1,239)	(57)
	637,104	572,232
	$1,036,781	$ 968,099

MOORE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF EARNINGS

For the year ended December 31
Expressed in thousands of dollars except earnings per share

	1980	1979	1978
Sales	$1,804,781	$1,541,048	$1,323,362
Cost of sales	1,186,335	1,005,260	874,436
Selling, general and administrative expenses	359,226	301,102	247,055
Depreciation	33,780	31,076	28,832
Interest expense	14,746	11,469	9,600
	1,594,087	1,348,907	1,159,923
Income from operations	210,694	192,141	163,439
Investment and other income	10,891	10,244	7,795
Earnings before income taxes, minority interests and extraordinary items	221,585	202,385	171,234
Income taxes (Note 14)	108,001	98,292	87,576
Minority interests	1,680	1,271	1,355
Earnings before extraordinary items	111,904	102,822	82,303
Extraordinary items (Note 15)	—	—	1,648
Net Earnings	$ 111,904	$ 102,822	$ 80,655
Earnings Per Share (Note 16)			
Before extraordinary items	$3.99	$3.67	$2.94
After extraordinary items	$3.99	$3.67	$2.88

MOORE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended December 31
Expressed in thousands of dollars

	1980	1979	1978
Balance at beginning of year			
As previously reported	$ 538,979	$ 475,200	$ 448,145
Adjustment for the cumulative effect on prior years of the change in accounting for unrealized foreign currency translation adjustments (Note 2)	57	1,366	4,791
As restated	539,036	476,566	452,936
Net earnings	111,904	102,822	80,655
	650,940	579,388	533,591
Dividends $1.64 per share ($1.44 in 1979; $1.32 in 1978)	45,961	40,352	36,987
Excess of cost of shares cancelled over their stated value (Note 10)	—	—	20,038
Balance at End of Year	$ 604,979	$ 539,036	$ 476,566

MOORE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended December 31
Expressed in thousands of dollars

	1980	1979	1978
Sources of Working Capital			
Earnings before extraordinary items	$ 111,904	$ 102,822	$ 82,303
Items not requiring current outlays of working capital —			
Depreciation	33,780	31,076	28,832
Equity in earnings of associated corporations	(2,879)	(2,726)	(3,066)
Minority interest in earnings	1,680	1,271	1,355
Deferred income taxes	(2,809)	(126)	4,372
Other	(2,634)	3,475	5,061
Working capital from operations	139,042	135,792	118,857
Additions to long-term debt	3,635	23,144	10,235
Sale of fixed assets	11,153	5,648	5,103
Unrealized foreign currency translation adjustments	—	1,570	881
United Kingdom Advance Corporation Tax	—	—	2,246
Dividends from associated corporations	1,290	838	1,120
Other sources	471	186	634
	155,591	167,178	139,076
Applications of Working Capital			
Expenditure for fixed assets	48,043	47,633	44,836
Dividends	45,961	40,352	36,987
Unrealized foreign currency translation adjustments	3,550	—	—
Deferred pension liability	—	—	6,553
Reductions in long-term debt	6,282	10,117	4,360
Investment in subsidiary corporations net of working capital acquired	(840)	649	2,879
Tax arising on cancellation of shares of the Corporation held by a subsidiary	—	—	2,789
Investment in associated corporations	1,982	398	1,208
Deferred charges	652	905	935
Extraordinary items	—	—	819
Dividends paid by subsidiaries to minority interests	176	530	577
United Kingdom Advance Corporation Tax	—	173	—
Other applications	1,629	1,284	755
	107,435	102,041	102,698
Increase in Working Capital	48,156	65,137	36,378
Working Capital at Beginning of Year	407,164	342,027	305,649
Working Capital at End of Year	$ 455,320	$ 407,164	$ 342,027
Increase (Decrease) in Working Capital by Component			
Cash	$ (1,764)	$ 767	$ 3,214
Short-term securities	30,583	(8,890)	(41,760)
Accounts receivable	39,072	53,451	37,808
Inventories	(11,890)	59,140	20,074
Prepaid expenses	1,560	481	(16)
Bank loans	(2,097)	(9,294)	42,241
Accounts payable and accruals	(3,565)	(25,200)	(19,605)
Dividends payable	(1,402)	(841)	(841)
Accrued income taxes	(2,341)	(4,477)	(4,737)
Increase in Working Capital	$ 48,156	$ 65,137	$ 36,378

MOORE CORPORATION LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 1980

Note 1

Summary of Accounting Policies
Accounting Principles:

Moore Corporation Limited is incorporated under the laws of the Province of Ontario, Canada.

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada.

Translation of foreign currencies:

The consolidated financial statements are expressed in United States currency because the greater part of the net assets and earnings are located or originate in the United States. Canadian and other currencies have been translated into United States currency on the following bases:

— Current assets, current liabilities, pension liabilities, long-term receivables and long-term debt, at the year-end rates of exchange;
— All other assets, liabilities, accumulated depreciation and related charges against earnings and share capital, at historical rates of exchange;
— Income and expenses, other than depreciation, at average exchange rates during the year.

Net unrealized exchange losses or gains arising on translation of foreign currencies are charged or credited directly to shareholders' equity and shown as unrealized foreign currency translation adjustments.

Realized exchange losses or gains are included in earnings.

Inventories:

Inventories of raw materials and work in process are valued at the lower of cost and replacement cost and inventories of finished goods at the lower of cost and net realizable value. The cost of the principal raw material inventories and the raw material content of finished goods inventories in Canada and the United States is determined on the last-in, first-out basis. The cost of all other inventories is determined on the first-in, first-out basis.

Fixed assets and depreciation:

Fixed assets are stated at historical cost after deducting investment tax credits and other grants on eligible capital assets. Depreciation is provided on a basis that will amortize the cost of depreciable assets over their estimated useful lives using the straight-line method. All costs for repairs and maintenance are expensed as incurred.

The estimated useful lives of buildings range from 20 to 50 years and of machinery and equipment from 5 to 17 years.

Gains or losses on the disposal of fixed assets are included in earnings and the cost and accumulated depreciation related to these assets are removed from the accounts.

Investment in associated corporations:

The Corporation accounts for its investment in associated corporations by the equity method.

Goodwill:

Goodwill represents the net excess of the cost of shares in subsidiaries over the book value of their net assets at date of acquisition, less the portion thereof allocated to tangible assets, and is being amortized by the straight-line method over a period of forty years.

Amortization of deferred costs:

Deferred debenture costs are amortized over a ten-year period and deferred production engineering costs are amortized over varying periods not exceeding five years.

Income taxes:

Income taxes are accounted for on the tax allocation basis which relates income taxes to the accounting income for the year.

Consolidated earnings include the reduction in United Kingdom income taxes resulting from the release of previously recorded deferred income taxes arising from United Kingdom stock relief claims when there is reasonable assurance that a prior year's stock relief claim will not become taxable in the future.

No provision has been made for taxes on undistributed earnings of subsidiaries not currently available for paying dividends inasmuch as such earnings have been reinvested in the businesses.

Note 2

Change in Accounting Policy

On May 5, 1981 the Corporation adopted the accounting policy, effective January 1, 1981, of charging or crediting directly to shareholders' equity net unrealized exchange losses or gains arising on translation of foreign currencies and showing these amounts as unrealized foreign currency translation adjustments. Previously net unrealized exchange losses arising on translation of foreign currencies were charged to earnings and net unrealized exchange gains were deferred and included in accounts payable and accruals to the extent they exceeded any losses previously charged to earnings.

This change was applied retroactively and had the effect of increasing net earnings for the year ending December 31, 1980 by $1,182,000 and of decreasing net earnings for the years ending December 31, 1979 and 1978 by $1,309,000 and $3,425,000 respectively. There was no impact on total shareholders' equity. (See Notes 11 and 19.)

Note 3

Inventories

(in thousands)	1980	1979
Raw materials	$ 114,452	$ 133,575
Work in process	19,730	24,398
Finished goods	95,605	85,262
Other	5,829	4,271
	$ 235,616	$ 247,506

The excess of the current cost over the last-in, first-out cost of those inventories determined on the latter basis is approximately $57,000,000 at December 31, 1980 (1979 – $48,000,000).

Note 4

Investment in Associated Corporations

(in thousands)	1980	1979
Toppan Moore Company, Ltd. (45% owned)	$ 15,334	$ 12,377
Moore Business Forms de Centro America, S.A. (49% owned)	—	1,212
Formularios y Procedimientos Moore, S.A. (49% owned)	1,077	1,019
	$ 16,411	$ 14,608

During 1980, the Corporation subscribed for additional shares of Toppan Moore Company, Ltd. at a cost of $1,982,000 thereby maintaining its equity interest at 45%.

In 1980, Moore Business Forms de Centro America, S.A. became a subsidiary, with the purchase by the Corporation of an additional 2% of its outstanding shares.

Dividends received from associated corporations in 1980 were $1,290,000 (1979 – $838,000; 1978 – $1,120,000). The undistributed earnings of associated corporations included in retained earnings are $8,610,000 (1979 – $8,749,000; 1978 – $6,069,000).

Note 5

Other Assets

Other assets include goodwill of $10,004,000 (1979 – $10,043,000), net of accumulated amortization of $2,322,000 (1979 – $1,996,000).

Note 6

Unused Lines of Credit

The unused lines of credit outstanding at December 31, 1980 for short-term financing totalled approximately $52,000,000 (1979 – $48,000,000), of which $20,000,000 is for the support of commercial paper borrowings. There were no commercial paper borrowings outstanding at the end of either year.

Note 7

Accounts Payable and Accruals

(in thousands)	1980	1979
Trade accounts payable	$ 56,580	$ 63,692
Other payables	24,885	25,838
	81,465	89,530
Accrued payrolls	43,488	23,908
Other accruals	32,107	40,057
	75,595	63,965
	$ 157,060	$ 153,495

Note 8

Long-Term Debt

(in thousands)	1980	1979
Moore Corporation Limited		
6% Convertible Subordinated Debentures due 1994 ($43,321,000 Cdn.; 1979 – $44,709,000 Cdn.)	$ 36,329	$ 38,324
Eurocurrency bank loan due 1982 bearing interest at 5/8 of 1% over the London Interbank Offering Rate existing from time to time	13,701	13,700
3,500,000 Pounds sterling		
13,342,000 French francs		
5,000,000 Dutch florins		
Other loans bearing interest at 7% and 9% due 1983 and 1987	1,286	1,339
Moore Business Forms, Inc.		
7.9% Senior Notes due 1996	19,000	20,000
Industrial Development Revenue Bonds bearing interest at 6.85% and 9.5% due 2004	7,350	7,350
6.75% Promissory Note due 1986, secured by mortgages on certain properties	1,928	2,241
Other loans bearing interest at 8% and 9.5% due 1983 and 1989	295	679
Capital lease commitments	765	923

Moore Paragon S.A.		
Bank and other loans payable in French francs bearing interest at 8.25% to 11% due 1982 to 1993. Loans amounting to $5,015,000 (1979 – $5,956,000) are secured	8,440	9,822
Moore Business Systems Australia Limited		
10.3% secured Debentures payable in Australian dollars due 1983 .	3,545	3,324
Other secured loans payable in Australian and New Zealand dollars bearing interest at 5% to 14.5% due 1982 to 1992	1,982	2,053
Moore Ges.m.b.H.		
Bank loans payable in Austrian schillings bearing interest at 5.5% to 10.2% due 1982 to 1989. Loans amounting to $8,000 (1979 – $1,225,000) are secured	3,486	4,042
F. N. Burt Company Inc.		
6.5% Industrial Development Revenue Bonds due 2004	3,500	3,500
Other Subsidiaries		
Secured loans	457	438
Unsecured loans	3,414	2,848
Capital lease commitments	805	708
	$ 106,283	$ 111,291

The 6% Convertible Subordinated Debentures are convertible at any time until April 1, 1984 into common shares at a rate of 17 shares per $1,000 Cdn. principal amount of debentures. Under certain circumstances debentures are redeemable or can be purchased in the market by the Corporation in accordance with the provisions and sinking fund requirements specified in the trust indenture. The trust indenture provides for a sinking fund, with respect to the retirement of the debentures, to commence in 1985. The principal amount of the debentures purchased by the Corporation in 1980 and 1979 satisfies the sinking fund obligations for the years 1985 to 1988 inclusive.

At December 31, 1980, the London Interbank Offering Rates on the Eurocurrency bank loan were Pounds sterling 17.375%; French francs 12%; Dutch florins 10.5%.

The long-term debt of other subsidiaries bears interest at rates ranging from 6.25% to 23.125%. These debts mature on varying dates to 1990. Loans amounting to $1,776,000 (1979 – $1,866,000) are payable in currencies other than United States dollars and loans of $457,000 (1979 – $438,000) are secured by assets of five (1979 – two) subsidiaries.

The cost of assets subject to lien approximated $84,000,000 (1979 – $82,000,000), the liens being primarily mortgages against fixed assets.

Payments of $4,571,000 (1979 – $3,793,000) on long-term debt due within one year are included in current liabilities. For the years 1982 through 1985 payments required on long-term debt are as follows: 1982 – $19,280,000; 1983 – $9,853,000; 1984 – $3,905,000; 1985 – $3,750,000.

Note 9

Deferred Income Taxes and Liabilities

Deferred income taxes amount to $44,784,000 (1979 – $47,760,000). Deferred liabilities include $6,095,000 (1979 – $6,440,000) for pensions under unfunded retirement plans of certain overseas subsidiaries (see Note 12).

Deferred income taxes include $1,267,000 (1979 – $2,277,000) relating to United Kingdom stock relief claimed in prior years which, following a change during 1979 in the United Kingdom stock relief legislation, may be taken into consolidated earnings in future years if at that future time there is reasonable assurance that these

amounts will not become payable. As a result of this change in legislation, deferred income taxes were reduced by $540,000 (1979 - $1,375,000) representing the release of deferred tax arising from United Kingdom stock relief claims to the end of 1978.

Note 10
Common Shares

The following is a summary of the changes in the authorized and issued common shares without par value since January 1, 1978:

	Authorized	Issued	
	number of shares	Number of shares	Amount
Balance, January 1, 1978	31,779,264	28,520,646	$33,770,000
May 9, 1978, cancellation of shares held by a subsidiary	500,000	500,000	592,000
Balance, December 31, 1978	31,279,264	28,020,646	33,178,000
April 12, 1979, increase in authorized capital	8,720,736	—	—
March 29, 1979, exercise of stock option	—	1,000	30,000
July 20, 1979, exercise of stock option	—	1,500	45,000
Balance, December 31, 1979	40,000,000	28,023,146	33,253,000
March 7, 1980, conversion of $127,000 (Cdn.) principal amount of 6% Convertible Subordinated Debentures	—	2,159	111,000
Balance, December 31, 1980	40,000,000	28,025,305	$33,364,000

Pursuant to the terms of the 1976 Executive Stock Option Plan approved by the shareholders of the Corporation on April 14, 1976, 224,400 common shares of the Corporation were reserved for issuance. Under the terms of the Plan, options may be granted to certain key employees to purchase shares of the Corporation at a price per share which is not less than 100% of fair market value on the date the option is granted. Options may be exercised at such times as are determined at the date they are granted and expire not more than ten years from the date granted. Details of the stock option activity in 1980 are as follows:

		Number of common shares under option			
Year options granted	Option price per common share in Canadian currency	Outstanding December 31 1979	Exercised during year	Lapsed during year	Outstanding December 31 1980
1976	$34.94	49,000	None	2,000	47,000
1979	$37.94	46,000	None	1,000	45,000
		95,000	None	3,000	92,000

The number of shares available for stock option grants pursuant to the terms of the 1976 Executive Stock Option Plan were 126,900 common shares as at January 1, 1980 and 129,900 common shares as at December 31, 1980.

During 1978 the Corporation's authorized and issued common shares were reduced upon the cancellation of the 500,000 shares held by its subsidiary corporation, Moore Business Forms Limited, and the excess of their cost over their stated value was charged to retained earnings.

At December 31, 1980, as required by the provisions of the trust indenture relating to the 6% Convertible Subordinated Debentures, 736,457 common shares were reserved to meet the conversion privilege of the debentures.

Note 11
Unrealized Foreign Currency Translation Adjustments

(in thousands)	1980	1979	1978
Balance at beginning of year	$ (57)	$(1,366)	$(4,791)
Adjustments for the year — gain (loss)	(1,182)	1,309	3,425
Balance at end of year	$(1,239)	$ (57)	$(1,366)

Note 12
Retirement Plans

Based on the latest reports of independent consulting actuaries on the Corporation's United States and Canadian retirement plans, all vested benefits are fully funded and it is estimated that the obligations for pension benefits expected to accrue and vest in the future, which are related to prior service, approximate $96,400,000 as at December 31, 1980 (1979 – $87,000,000). Consistent with preceding years, these obligations will be recorded in the accounts and funded by annual payments over periods not exceeding thirty years.

Effective November 7, 1977, a special supplementary pension plan was established under which eligible employees in the United States and Canada were given the opportunity to elect early retirement by the end of that year. The maximum obligation remaining under this plan is $2,970,000 which will be recorded and paid during 1981. In 1980, $3,632,000 was paid and recorded as pension expense (1979 – $4,055,000; 1978 – $4,291,000) (see Note 19).

Funded contributory retirement plans are available for employees in some of the international subsidiaries and current service costs under these plans are being charged to earnings and funded annually. In other international subsidiaries, where either state or funded retirement plans exist, there are certain small supplementary unfunded plans.

Pensionable service prior to establishing funded contributory retirement plans in some international subsidiaries, covered by former discretionary non-contributory retirement plans, was assumed as a prior service obligation. The deferred liability for pensions at December 31, 1980, referred to in Note 9, relates primarily to the unfunded portion of this prior service obligation.

Note 13
Consolidated Statement of Earnings Information

(in thousands)	1980	1979	1978
Interest expense			
Interest on long-term debt	$ 10,056	$ 8,798	$ 6,791
Other interest expense	4,580	2,460	2,679
Amortization of deferred debenture costs	110	211	130
	14,746	11,469	9,600
Investment and other income			
Equity in earnings of associated corporations	2,879	2,726	3,066
Discount earned on purchase of 6% Convertible Subordinated Debentures	325	785	—
Interest on short-term investments	7,687	6,733	4,729
	10,891	10,244	7,795
Repairs and maintenance	27,774	28,260	22,412
Taxes other than income taxes	26,449	22,312	20,273
Pension plan expense	21,225	19,963	17,350
Research and development expense	14,623	14,466	10,120
Amortization of deferred production engineering costs	803	572	703
Amortization of goodwill	326	363	340

Note 14
Income Taxes
(in thousands)
The components of earnings before income taxes and the provision for income taxes for the three years ended December 31, 1980 consist of the following:

Earnings before income taxes

	1980	1979	1978
Canada	$ 12,036	$ 6,189	$ 4,516
United States	165,813	157,676	134,684
Other countries	43,736	38,520	32,034
	$ 221,585	$ 202,385	$ 171,234

Provision for income taxes

	1980		1979		1978	
	Current	Deferred	Current	Deferred	Current	Deferred
Canada (federal and provincial)	$ 6,774	$ (927)	$ 3,634	$ (596)	$ 2,661	$ (59)
United States						
Federal	70,209	308	69,100	(1,153)	57,162	2,718
State	10,907	117	10,265	(110)	8,426	390
Other countries	22,920	(2,307)	15,419	1,733	14,955	1,323
	$110,810	$ (2,809)	$ 98,418	$ (126)	$ 83,204	$ 4,372

Deferred income taxes in each of the three years arose from a number of differences of a timing nature between income for accounting purposes and taxable income in the jurisdictions in which the Corporation and its subsidiaries operate. In each year, these timing differences included the variation between tax and accounting depreciation, United Kingdom stock relief, state income taxes in the United States and other items.

The effective rates of tax for each year as compared to the statutory Canadian rates were as follows:

	1980	1979	1978
Canadian combined federal and provincial statutory rate as applied to manufacturing and processing profits	44.7%	43.0%	42.9%
Increase, primarily the net effect of tax rates in other countries	4.0	5.6	8.2
Total consolidated effective tax rate	48.7%	48.6%	51.1%

Note 15
Extraordinary Items

There were no extraordinary items in 1980 or 1979. In 1978 the extraordinary items consisted of a loss ($1,060,000 net of income tax of $424,000) arising from the phasing out of certain operations, a provision ($1,543,000 net of income tax of $407,000) for the settlement by F. N. Burt Company, Inc. of antitrust class actions and a gain ($955,000) arising from the excess of insurance proceeds over the net book value of assets destroyed by fire in Austria. The antitrust class action was settled in 1979.

Note 16

Earnings and Fully Diluted Earnings per Share

The earnings per share calculations are based on the weighted average of the common shares outstanding during the year.

If it were assumed that at the beginning of the year the 6% Convertible Subordinated Debentures had been converted into common shares and all outstanding stock options had been exercised with the funds derived therefrom yielding an annual return of 6% net of tax, the earnings per share for the year would have been $3.91 (1979 – $3.61; 1978 – $2.83) (see Note 19).

Note 17

Lease Commitments
(in thousands)

At December 31, 1980, long-term lease commitments require approximate future rentals as follows:

1981	$ 21,708	1984	$ 9,656
1982	17,459	1985	7,568
1983	12,063	1986 and thereafter	11,124

Note 18

Segmented Information
(in thousands)

The Corporation and its subsidiaries have operated predominantly in one industry during the three years ended December 31, 1980, that being the manufacture and sale of business forms and related products and services. Transfers of product between geographic segments are generally accounted for on a basis that results in a fair profit being earned by each segment. The export of product from Canada is insignificant.

Geographic Segments

1980	Canada	United States	Europe	Other	Consolidated
Total revenue	$ 161,120	$1,134,589	$ 346,846	$ 168,585	$1,811,140
Intergeographical segment sales	(10)	(6,340)	(9)	—	(6,359)
Sales to customers outside the enterprise	$ 161,110	$1,128,249	$ 346,837	$ 168,585	$1,804,781
Segment operating profit	$ 19,584	$ 163,075	$ 15,954	$ 27,961	$ 226,574
Interest expense					14,746
General corporate expenses					1,134
Income from operations					$ 210,694
Identifiable assets	$ 79,074	$ 603,708	$ 224,217	$ 113,712	$1,020,711
Intersegment eliminations					(7,978)
Corporate assets including investments in associated corporations					24,048
Total assets					$1,036,781
Depreciation expense	$ 2,518	$ 20,422	$ 6,985	$ 3,855	$ 33,780
Capital expenditures	$ 4,046	$ 27,696	$ 9,810	$ 6,491	$ 48,043

Geographic Segments

1979	Canada	United States	Europe	Other	Consolidated
Total revenue	$ 135,734	$ 992,373	$ 294,062	$ 129,568	$1,551,737
Intergeographical segment sales	(120)	(10,037)	(225)	(307)	(10,689)
Sales to customers outside the enterprise	$ 135,614	$ 982,336	$ 293,837	$ 129,261	$1,541,048
Segment operating profit	$ 15,443	$ 153,100	$ 19,314	$ 17,413	$ 205,270
Interest expense					11,469
General corporate expenses					1,660
Income from operations					$ 192,141
Identifiable assets	$ 72,380	$ 561,551	$ 230,717	$ 87,916	$ 952,564
Intersegment eliminations					(8,160)
Corporate assets including investments in associated corporations					23,695
Total assets					$ 968,099
Depreciation expense	$ 2,277	$ 19,531	$ 6,885	$ 2,383	$ 31,076
Capital expenditures	$ 4,129	$ 21,585	$ 13,725	$ 8,194	$ 47,633

1978	Canada	United States	Europe	Other	Consolidated
Total revenue	$ 119,228	$ 859,238	$ 243,421	$ 110,202	$1,332,089
Intergeographical segment sales	(103)	(8,601)	(23)	—	(8,727)
Sales to customers outside the enterprise	$ 119,125	$ 850,637	$ 243,398	$ 110,202	$1,323,362
Segment operating profit	$ 12,588	$ 131,850	$ 15,826	$ 14,057	$ 174,321
Interest expense					9,600
General corporate expenses					1,282
Income from operations					$ 163,439
Identifiable assets	$ 65,277	$ 498,161	$ 192,055	$ 77,931	$ 833,424
Intersegment eliminations					(6,263)
Corporate assets including investments in associated corporations					22,237
Total assets					$ 849,398
Depreciation expense	$ 2,133	$ 17,372	$ 6,159	$ 3,168	$ 28,832
Capital expenditures	$ 1,660	$ 22,638	$ 12,772	$ 7,766	$ 44,836

Note 19

Differences between Canadian and United States Generally Accepted Accounting Principles

As a result of the registration of the common shares of the Corporation with the Securities and Exchange Commission on November 12, 1980 and the listing of the shares on the New York Stock Exchange on November 13, 1980, compliance with the integrated disclosure rules of the Securities and Exchange Commission is required.

The accounting policies in Note 1 and accounting principles generally accepted in Canada are consistent with United States generally accepted accounting principles except in the following areas:

Translation of foreign currencies:

Under United States generally accepted accounting principles, inventories and prepaid expenses would be translated at historical rates of exchange. The resulting adjustment to inventory and prepaid expenses and the related effect on earnings would not be material.

Unrealized foreign currency translation adjustments would not be credited or charged directly to shareholders' equity under United States generally accepted accounting principles but would be charged directly to earnings. The resulting adjustment to net earnings would be to decrease net earnings by $1,182,000 for the year ended December 31, 1980 and to increase net earnings by $1,309,000 and $3,425,000 for the years ended December 31, 1979 and 1978 respectively.

Fixed assets and depreciation:

Under United States generally accepted accounting principles, investment tax credits would be initially recorded as a deferred credit with the amortization of this credit being recorded as a reduction of income tax expense. This difference in accounting from that reflected in the accounts would not affect net earnings.

Amortization of deferred costs:

Under United States generally accepted accounting principles, deferred debenture costs would be amortized over the life of the debentures on the interest method. This difference in amortization method from that reflected in the accounts would not have a material effect on net earnings.

Extraordinary items:

Under United States generally accepted accounting principles, the extraordinary items shown in Note 15 would be included in determining income from operations.

Retirement plans:

Under United States generally accepted accounting principles, the total cost of the special supplementary pension plan referred to in Note 12, amounting to $13,152,000, would have been recorded as an expense in 1977 and a deferred pension plan liability, in the same amount, would have been established. This adjustment results in a corresponding increase in earnings for the years 1978 through 1981. The related after tax effect would have been to decrease earnings in 1977 by $6,613,000 and to increase earnings in 1978, 1979 and 1980 by $2,109,000, $1,879,000 and $1,527,000 respectively. The remaining deferred liability at December 31, 1980 would be $2,302,000.

Under United States generally accepted accounting principles, additional information as set out in the table below, available only in respect of the Corporation's United States retirement plans, would be disclosed. The data is based upon the latest reports of independent consulting actuaries on the Corporation's United States retirement plans which cover substantially all of the employees in the United States. The value of the net assets of those plans has been determined on a full accrual, market value basis and the amount funded and expensed each year includes an amount to cover current service costs and an amount to amortize past service costs.

(in thousands)	January 1 1980	January 1 1979
Actuarial present value of accumulated plan benefits of which $91,219,000 (1979 – $84,681,000) are vested	$ 99,526	$ 91,630
Net assets available for benefits	$108,742	$ 90,837
Assumed interest rate used in calculating accumulated plan benefits	7.5%	7.5%

Earnings and fully diluted earnings per share:

The calculation of primary earnings per share under United States generally accepted accounting principles would include the common stock equivalent of the 6% Convertible Subordinated Debentures and any outstanding stock options granted where the average market price for the year exceeds the option price. Under United States generally accepted accounting principles the calculation of fully diluted earnings per share would include the dilutive effect, if any, of any common shares issued during the period on conversion of debentures or the exercise of stock options with effect from the beginning of the period. Also, the calculation of fully diluted earnings per share would include the additional dilutive effect of outstanding options if the market price at the close of the period is higher than the average market price used in computing primary earnings per share.

Assuming translation of foreign currencies and the recording of the special supplementary pension plan expense on a United States generally accepted accounting principle basis net earnings would be $112,249,000 (1979 - $106,010,000; 1978 - $86,189,000). Related earnings per common and common equivalent share and assuming full dilution would be $3.94 (1972 - $3.72; 1978 - $2.99).

MANAGEMENT'S STATEMENT ON FINANCIAL REPORTING

The accompanying consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada.

The Corporation maintains a system of internal control which is designed to provide reasonable assurance that assets are safeguarded and that reliable financial records are maintained.

The consolidated financial statements have been examined by the Corporation's independent auditors, Price Waterhouse & Co., and their report is included herein.

The Audit Committee of the Board of Directors is composed entirely of outside directors and meets periodically with the Corporation's independent auditors, management and the Corporation's Internal Auditor to discuss the scope and results of audit examinations with respect to adequacy of internal controls and financial reporting of the Corporation.

AUDITORS' REPORT

To the Shareholders of Moore Corporation Limited:

We have examined the consolidated balance sheets of Moore Corporation Limited as at December 31, 1980 and 1979 and the consolidated statements of earnings, retained earnings and changes in financial position for each of the three years in the period ended December 31, 1980. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1980 and 1979 and the results of its operations and the changes in its financial position for each of the three years in the period ended December 31, 1980 in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in accounting for unrealized foreign currency translation adjustments as described in Note 2 to the consolidated financial statements, on a consistent basis.

Price Waterhouse & Co.
Chartered Accountants
Toronto, Canada
February 24, 1981 except as to the matters described
in Note 2 for which the date is May 5, 1981

MOORE CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET

Expressed in thousands of dollars

	June 30 1981 (unaudited)	December 31 1980
ASSETS		
Current Assets		
Cash and securities	$ 94,957	$ 78,479
Accounts receivable	341,584	361,468
Inventories		
Raw materials	123,872	120,281
Work in process	21,157	19,730
Finished goods	100,903	95,605
Prepaid expenses	7,474	7,952
	689,947	683,515
Fixed Assets		
Cost	600,171	586,173
Less: Accumulated depreciation	283,139	268,091
	317,032	318,082
Other Assets	37,232	35,184
	$1,044,211	$1,036,781
LIABILITIES		
Current Liabilities		
Bank loans	$ 25,267	$ 27,952
Accounts payable	175,552	157,060
Other	30,667	43,183
	231,486	228,195
Long-Term Debt	95,961	106,283
Deferred Income Taxes and Liabilities	50,357	52,177
Minority Interests	12,932	13,022
	390,736	399,677
SHAREHOLDERS' EQUITY		
Common Shares	$ 33,985	$ 33,364
Retained Earnings	636,059	604,979
Unrealized Foreign Currency Translation Adjustments	(16,569)	(1,239)
	653,475	637,104
	$1,044,211	$1,036,781

MOORE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF EARNINGS

For the six months ended June 30

Expressed in thousands of dollars except per share data

	1981 (unaudited)	1980 (unaudited)
Sales	$ 914,069	$ 887,890
Cost of sales	605,119	583,022
Selling, general and administrative expenses	189,065	178,192
Depreciation	17,929	17,605
Interest expense	6,982	6,012
	819,095	784,831
Income from operations	94,974	103,059
Investment and other income	10,387	4,660
	105,361	107,719
Income taxes	48,506	52,712
Minority interests	543	822
Net Earnings	$ 56,312	$ 54,185
Per Share Data		
Net Earnings	$2.01	$1.93
Dividends	$ .90	$ .82
Weighted average number of shares (in thousands)	28,032	28,025

MOORE CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the six months ended June 30
Expressed in thousands of dollars

	1981 (unaudited)	1980 (unaudited)
Sources of Working Captial		
Net earnings	$ 56,312	$ 54,185
Items not affecting working capital	14,645	12,955
Working capital from operations	70,957	67,140
Sale of fixed assets	2,208	9,546
Unrealized foreign currency translation adjustments	—	381
Additions to long-term debt	1,449	1,284
Other sources	1,314	1,559
	75,928	79,910
Applications of Working Capital		
Dividends	25,232	22,980
Expenditure for fixed assets	19,164	23,112
Unrealized foreign currency translation adjustments	18,416	—
Reductions in long-term debt	6,967	3,606
Long-term investment	1,750	—
Other applications	1,258	1,023
	72,787	50,721
Increase in Working Capital	$ 3,141	$ 29,189
Increase (Decrease) in Working Capital by Component		
Cash and securities	$ 16,478	$ (3,820)
Accounts receivable	(19,884)	20,294
Inventories	10,316	29,568
Prepaid expenses	(478)	1,253
Bank loans	2,685	(6,800)
Accounts payable and accruals	(18,492)	(21,094)
Other current liabilities	12,516	9,788
Increase in Working Capital	$ 3,141	$ 29,189

Notes to Consolidated Financial Statements

Effective January 1, 1981 net unrealized exchange losses or gains arising on translation of foreign currencies are charged or credited directly to shareholders' equity and shown as unrealized foreign currency translation adjustments. Previously net unrealized exchange losses arising on translation of foreign currencies were charged to earnings and net unrealized exchange gains were deferred and included in accounts payable and accruals to the extent they exceeded any losses previously charged to earnings.

This change, which is not in accordance with United States generally accepted accounting principles and was applied retroactively, had the effect of increasing net earnings by $15,330,000 for the six month period in 1981 and decreasing net earnings by $57,000 for the corresponding period in 1980. There is no impact on total shareholders' equity.

Under United States generally accepted accounting principles, the total cost of the special supplementary pension plan would have been recorded as an expense in 1977. This adjustment results in a corresponding increase in earnings for the years 1978 and 1981. The related after-tax effect would have been to increase earnings for the six months ended June 30, 1981 and 1980 by $590,000 and $764,000 respectively.

Under United States generally accepted accounting principles, earnings per common and common equivalent share and assuming full dilution for the six month period would be $1.46 (1980 - $1.93).

Management Statement on Financial Reporting

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to provide a fair statement of the results for the interim periods have been included.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Sales in the second quarter increased to $457.3 million from $444.9 million in 1980 bringing the total for the six months to $914.1 million compared with $887.9 million. The slowdown in incoming orders experienced in the first quarter continued throughout the second quarter, except in the United States where activity picked up sharply in June and a record level of incoming business was booked for the month.

Net earnings totalled $26.1 million in the quarter, equal to 93¢ per share compared with $26.2 million and 93¢ in 1980, bringing earnings for the six months to $56.3 million and $2.01 per share, up from $54.2 million and $1.93 per share in 1980, an increase of 3.9%. In the current depressed business climate competitive pressure on selling prices prevented full recovery of cost increases with the result that operating margins were below 1980 both for the quarter and the six months. The decline in operating earnings for the six months was more than offset by higher investment and other income and lower income taxes. The latter reflects an increase in the release of deferred taxes relating to United Kindgom stock relief claims, a reduction in the Mexican tax rate and an increase in tax exempt income.

During the second quarter, the Corporation's United States subsidiary Moore Business Forms, Inc. purchased, as a long-term investment, a five percent interest in Altos Computer Systems for $1.75 million. This California corporation is a supplier of computer hardware to the Moore Business Systems Division in the United States.

The outlook for the balance of the year is clouded by continuing high interest rates and while general business activity is expected to improve during this period, the timing is uncertain. Accordingly, cost reduction and other programs are in place to maximize earnings during the last half and with an increase in demand, price levels should improve and sales and earnings for the year should exceed 1980 levels.

PROSPECTUS

MOORE

MOORE CORPORATION LIMITED